December 15, 2015
SoftBank Group Corp.

Commencement of Tender Offer by a Subsidiary (Yahoo Japan Corporation)

SoftBank Group Corp. (SBG) announces that its subsidiary Yahoo Japan Corporation (the first section of the Tokyo Stock Exchange, code 4689, ”Yahoo Japan”) has resolved at its board of directors meeting held on December 15, 2015, as set out in the attached, to acquire the common stocks and the stock acquisition rights of Ikyu Corporation (the first section of Tokyo Stock Exchange, code 2450) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948; as amended).

The impact of the Tender Offer on SBG’s consolidated financial results will be minor.

Outline of Yahoo Japan

Address	9-7-1, Akasaka, Minato-ku, Tokyo
Name and title of the representative	Manabu Miyasaka President and CEO
Nature of business	Internet advertising business e-commerce business Membership services business Other businesses
Share capital	JPY 8,328 million (as of September 30, 2015)

December 15, 2015

To whom it may concern

Yahoo Japan Corporation
Manabu Miyasaka, President and CEO
Stock code: 4689

Yahoo Japan Corporation Announces Commencement of Tender Offer for Common Stocks and Stock Acquisition Rights of Ikyu Corporation (Stock Code: 2450)

Yahoo Japan Corporation (the "Tender Offeror" or the "Company") hereby announces that it has resolved at its board of directors meeting held on December 15, 2015 to acquire the common stocks and the stock acquisition rights of Ikyu Corporation (the "Target") (listed on the First Section of the Tokyo Stock Exchange, Inc., (the "Tokyo Stock Exchange"), Stock code: 2450) through a tender offer (the "Tender Offer") under the Financial Instruments Exchange Act (Act No. 25 of 1948; as amended) (the "Act")).

1. Purpose of the Tender Offer

(1) Overview of the Tender Offer

The Company passed a resolution at its board of directors meeting on December 15, 2015, to conduct the Tender Offer as a part of the transaction to acquire all of the common stocks (including the common stocks of the Target to be issued upon exercise of the Stock Acquisition Rights (as defined in "(ii) Stock Acquisition Rights" of "(3) Tender Offer Price" in "2. Outline of Tender Offer and Other Information"; the name of each series of the Stock Acquisition Rights is defined therein)) of the Target, listed on the First Section of the Tokyo Stock Exchange, and the Stock Acquisition Rights with the aim of making the Target a wholly-owned subsidiary of the Company (the "Transaction").

The minimum number of stocks to be acquired through the Tender Offer is set by multiplying the Base Number of Shares (Note) by two-thirds, which amounts to 19,492,200 shares. If the aggregated number of share certificates and other securities tendered through the Tender Offer (the "Tendered Share Certificates") do not reach such minimum number of shares to be acquired (19,492,200 shares), none of the Tendered Share Certificates will be acquired. On the other hand, the Company has not set a maximum number of shares to be acquired, therefore if the aggregated number of the Tendered Share Certificates reaches the minimum number of shares to be acquired (19,492,200 shares) or more, then all of the Tendered Share Certificates will be acquired.

The Company does not hold common stocks or Stock Acquisition Rights of the Target as of the date of the announcement.

(Note) The number of shares used as the basis for the calculation of the minimum number of shares to be acquired and the basis for calculation of other proportions in the announcement is 29,238,300 shares, (the "Base Number of Shares"). The Base Number of Shares reflects the status of ownership and exercise of the Stock Acquisition Rights up until the date of this announcement, on top of the total issued shares of the Target as of September 30, 2015 (i.e., 29,129,600 shares), as set forth in the Second Quarterly Report of the 18th Business Period filed by the Target on November 11, 2015 (the "Target's Second Quarterly Report of the 18th Business Period") (the "Base Number of Shares without Taking the Stock Acquisition Rights into Consideration").

The Target's issue status of the Stock Acquisition Rights are, 300 units for the Eleventh Series Stock

Acquisition Rights, 384 units for the Twelfth Series Stock Acquisition Rights, and 300 units for the Thirteenth Series Stock Acquisition Rights as set forth in the Annual Securities Report for the 17th Business Period filed by the Target on June 23, 2015 (the "Target's Annual Securities Report of the 17th Business Period") and 300 units for the Fourteenth Series Stock Acquisition Rights that were outstanding as of September 30, 2015 as set forth in the Target's Second Quarterly Report of the 18th Business Period. However, according to the Target, 197 units of the Eleventh Series Stock Acquisition Rights were exercised up until the date of this announcement. As of the date of this announcement, the number of common stocks of the Target to be issued is 108,700 shares, once the remaining Stock Acquisition Rights (the Eleventh Series Stock Acquisition Rights (103 units), the Twelfth Series Stock Acquisition Rights (384 units), the Thirteenth Series Stock Acquisition Rights (300 units) and the Fourteenth Series Stock Acquisition Rights (300 units); a total of 1,087 units) are exercised. The Base Number of Shares (29,238,300 shares), is calculated by adding the Base Number of Shares without Taking the Stock Acquisition Rights into Consideration (29,129,600 shares) to the number of common stocks of the Target to be issued post-exercise of the Stock Acquisition Rights (108,700 shares).

If the Company fails to acquire all of the common stocks of the Target and all of the Stock Acquisition Rights through the Tender Offer, then the Company will request that the Target to implement each of the procedures set forth in "(4) Plan for Reorganization after the Tender Offer (Matters Relating to Two-Step Takeover)" to make the Target a wholly-owned subsidiary of the Company (the "Making Target a Wholly-Owned Subsidiary").

Prior to the Tender Offer, the Company entered into an agreement concerning the tendering of shares in the Tender Offer (the "Tender Agreement") as of December 15, 2015, between Mr. Masabumi Mori ("Mr. Mori"), the largest and major shareholder (as of September 30, 2015; the same shall apply hereinafter) and President and CEO of the Target (the number of common stocks owned by Mr. Mori : 12,039,600 shares; the ownership ratio (the ownership ratio to the Base Number of Shares, rounded down to the second decimal place; the same shall apply hereinafter): 41.17%), and MORI TRUST CO., LTD. ("MORI TRUST"), the second largest shareholder of the Target (the number of common stocks held by MORI TRUST: 3,321,500 shares, ownership ratio: 11.36%). Please refer to "(6) Details of Material Agreements Concerning Tender Offer" for the outline of the Tender Agreement.

According to the announcement titled "Announcement of Expression of Opinion Concerning Tender Offer for Common Stocks and Stock Acquisition Rights and Capital and Business Alliance with Yahoo Japan Corporation" (the "Target's Announcement") released by the Target on December 15, 2015, the Target resolved at its board of directors meeting held on December 15, 2015, to expressly state an opinion supporting the Tender Offer and to recommend that the Target's shareholders tender their common stocks of the Target in the Tender Offer. The board of directors of the Target has also resolved that the decision regarding whether or not to tender the Stock Acquisition Rights through the Tender Offer shall be left to the individual discretion of the Stock Acquisition Rights holder.

For more details regarding the resolution of the board of directors of the Target, please refer to "(v) Unanimous Approval by the Target's Disinterested Directors and No Objections from Disinterested Auditors" in "(3) Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest".

(2) Background, Purposes and Decision-making Process Concerning Tender Offer, and Management Policies Subsequent to the Tender Offer

The Company was jointly established in January 1996 between SoftBank Corp. ("SoftBank Group Corp."), the parent company of the Company, and Yahoo! Inc. ("Yahoo! Inc."), who owns a 35.5% stake in the Company (as of end of September 2015), for the purpose of providing information search services in Japan that Yahoo! Inc. has thus far provided on the Internet.

Currently, the Company provides advertising-related services, including paid search advertising (advertising targeted to match key search terms from search engine queries) and display advertising (advertising containing different formats such as images and videos), and e-commerce-related services, such as "YAHUOKU!", one of the largest online auction sites in Japan, and "Yahoo! Shopping", an online shopping site. Among others, the Company has strategically been continuing its efforts to work on new business models under its "e-Commerce Revolution" and "Reservation Revolution" strategies

with the aim to grow the e-commerce-related services to its primary sources of revenue. The Internet travel reservation service "Yahoo! Travel" has been widely used since the start of service in November 1997, as a comprehensive travel information website. In addition, the Company has launched a new product "Yahoo! Travel Plan" in February 2015, providing unique lodging offerings by directly contracting with lodging facilities. In terms of the restaurant reservation service, the Company launched "Yahoo! Restaurant Reservation" in October 2013, a service that allows real-time table booking, that has succeeded in attracting more than 17,000 restaurants (as of end of November 2015) and is expected to grow further. In addition, the Company has also launched the "Vacancy Radar" service, allowing users to find vacant table information via smartphones and other devices.

The Target was established by Mr. Mori, the largest and major shareholder and President and CEO of the Target, as Prime Link Kabushiki Kaisha in July 1998 (changed to the current trade name, Ikyu Corporation, in July 2004) and from May 2000, the Target started its current core service "Ikyu.com", which offers online reservation services focusing on high-end hotels and Japanese-style inns. In June 2006, the Target expanded the scope of its services by opening the website "Ikyu.com for Restaurants", which offers online reservation services focusing on high-end restaurants. The Target has been expanding its business since inception with a focus on "high quality" services under the motto "Luxury for the Mind", in pursuit of offering reliable and advantageous top-ranked services. Currently, the Target operates and provides (1) "Ikyu.com", an online lodging reservation service focused on high-end hotels and Japanese-style inns, (2) "Ikyu.com for Business", an online lodging reservation service focused on premium no-frills hotels, (3) "Ikyu.com for Restaurants", an online real-time table reservation service for selected restaurants, (4) "Ikyu.com for Overseas", an online lodging reservation service for overseas luxury hotels, (5) "Gift Ikyu", an online store for gift tickets, allowing gift receivers to choose any facilities provided by the Target and (6) "Ikyu.com for Spa", an online store for spa coupons which can be used at spas located in luxury hotels. The number of members has been increasing each year since the launch of "Ikyu.com" in May 2000, and has reached approximately 4.13 million members as of end of September 2015.

According to the Target, in August 2015, Mr. Mori, the largest and major shareholder and President and CEO of the Target, approached the Target to convey his intention to sell all of his stake in the Target (common stocks of 12,039,600), despite the Target's continuous growth mainly in the online reservation service for high-end hotels and Japanese-style inns under the foresight and leadership of Mr. Mori since the establishment of the Target. Mr. Mori strongly desired to transfer his shares to a strategic partner that could continuously support the growth of the Target. In response, the Target came to a decision to seek a capital and business alliance with a strategic partner who can both support its continuous growth within the growing online lodging and restaurant reservation market and also generate synergies to achieve the Target's new goal of creating "a platform providing a rich life for high-end customers". Subsequently, the Target started to consider potential partners who understand the business and could improve the corporate value of the Target. The Target sounded out the interest from several potential candidates in acquiring the common stocks of the Target, candidates that could be expected to create synergies with the Target's core businesses: online reservation services for high-end hotels and Japanese-style inns, and high-end restaurant online reservation.

The Company was approached by Nomura Securities Co., Ltd. ("Nomura Securities"), the financial advisor of the Target, around September 2015, to sound out the Company's interest in acquiring the common stocks of the Target as well as entering into a capital and business alliance with the Target, on the premise of Mr. Mori's, the largest and major shareholder and the President and CEO of the Target, intention to sell his stakes in the Target. In response, the Company started initial consideration upon being approached by Nomura Securities. During October and November 2015, the Company, as one of the potential partners, held multiple meetings with the management of the Target to consider the value of the Target's business and to discuss future possibilities.

Furthermore, the Company, with the aim of gaining the understanding of Mr. Mori, the largest and major shareholder and the President and CEO of the Target, held multiple meetings in October 2015 to explain the Company's view on future collaborative efforts with the Target and to discuss and negotiate economic conditions of this Transaction.

The Company and the Target had entered into a business alliance in November 2007 for the lodging-related business, where the Company lists lodging plans provided by the Target on its travel-related information service, and in addition entered into a business alliance in January 2011 for the restaurant-related business, whereby the Company lists information of restaurants for which the Target offers reservation services on its restaurant-related service. However, the Company

decided to acquire all of the common stocks and all of the Stocks Acquisition Rights of the Target to ensure the effectiveness of the growth through the "e-Commerce Revolution", and had submitted a Letter of Intent to the Target (hereafter "The Letter of Intent on November 6, 2015").

In response, the Target decided at the board of directors meeting held on November 9, 2015, to position the Company as a leading candidate after reviewing the contents of its proposal. Accordingly, the Company started discussions on a full-scale with the Target, and began to conduct due diligence of the Target and in parallel held several meetings with the Target to discuss potential synergies between the two companies. As a result, the Company and the Target reached the common understanding that by combining and leveraging the Target's strong network with lodging facilities and restaurants, and strong high-end customer base, together with the Company and its affiliates' (collectively, the "Company's Group") capabilities of management resources and infrastructure consisting of know-how, human resources and networks, the Company and the Target will be able to move beyond the current business alliance and further reinforce the growth potential and competitiveness of both companies.

The Company expects as a potential synergy to send traffic referrals to the Target's services and promote usage of the Target's services by providing lodging and restaurant information of the Target to the Company's current users of e-commerce-related services, namely, "Yahoo! Travel", "Yahoo! Restaurant Reservation", and "Yahoo! Shopping", which will further enhance the Target's revenue base.

The Target has thus far been focusing on online reservation services for high-end hotels, Japanese-style inns and high-end restaurants, and has achieved continuous growth backed by its loyal customers (those who have repeatedly utilized the service on a long-term basis). However, in the current business environment where the online restaurant reservation market in Japan is rapidly growing, the Company believes that it would be effective for the Target to acquire new customers from a wider customer segment by forming a strong alliance with Internet companies, such as the Company, who has strengths in media-related services, to achieve further growth. Particularly, in a business environment that changes rapidly and drastically, such as the Internet sector, the Company strongly believes that in order to ensure the realization of the above-mentioned synergies, it is vital to build a structure between the Company Group and the Target to fully concentrate its management resources swiftly and boldly, share information and make decisions in an expeditious manner, and to operate the business as an integrated group from both a mid- and long-term perspective.

Furthermore, the Target has thusfar worked to diversify its financing methods, increase brand recognition and improve credibility from customers as well as business partners as a listed company on the First Section of the Tokyo Stock Exchange, but will be able to further enhance the Target's financial stability by joining the Company's Group. In addition, the Target has already successfully established a strong brand image, name recognition and credibility addressed through innovative solutions in the online reservation market, and therefore has no need to continue as a listed company, rather, the Target will be able to save listing-related costs (costs of holding shareholders meetings and preparing continuous disclosure of annual securities reports subject to the Financial Instruments and Exchange Act), which, in return, will lead to more efficient management for the Target.

The Company verified through its due diligence review and synergy consideration with the Target, that it does not need to change the per common stock tender offer price and per stock acquisition right tender offer price described in the Letter of Intent November 6, 2015, unless there are considerable changes in the business environment and the stock market. On this basis, the Company delivered a draft Tender Agreement to Mr. Mori, the largest and major shareholder and the President and CEO of the Target, on November 30, 2015, and MORI TRUST, the second largest shareholder, on December 3, 2015, and discussed and negotiated the contents of the agreement. Accordingly, the Company reached agreement with Mr. Mori on December 10, 2015, and MORI TRUST on December 14, 2015.

Taking into all of these factors into consideration, the Company reached a conclusion that in order to enhance the presence in the challenging e-commerce related market, this transaction would be positioned as one of the most vital measures to further enforce user recognition and penetration around the reservation business. In addition, welcoming the Target into the Company's Group and launching full-scale efforts to maximize the synergy effects between the two companies will be the best option for the long-term and sustainable improvement in the corporate values of both the Company's Group and the Target. Based on this conclusion, the board of directors meeting of the Company held on December 15, 2015, resolved to conduct the Tender Offer for the purpose of making the Target a wholly-owned subsidiary.

The Company will carefully treat the strong brand value, developed operational structure and business foundation that have been cultivated by the Target with high regard after the commencement date of the settlement of the Tender Offer. In addition, the Company will consult with the Target to carefully decide measures to enhance collaboration between the two companies to generate business synergies.

With respect to the composition of the board of directors of the Target post-Transaction, Mr., Mori, the largest and major shareholder and the President and CEO of the Target, plans to resign from his current position and also as a member of the board immediately after the commencement date of the settlement of the Tender Offer. The Company plans to carefully discuss with the Target building a new management structure comprised of the current management of the Target except for Mr. Mori, and directors to be sent from the Company with the aim of strengthening and enhancing the management structure.

(3) Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest

The Company and the Target took the following measures to ensure the fairness of the Tender Offer taking into consideration the possibility that Mr. Mori, the largest and major shareholder and President and CEO of the Target, and other shareholders of the Target do not share mutual interests, as the Company executed the agreement concerning the tendering of shares to the Tender Offer with Mr. Mori (ownership ratio: 41.17%).

(i) Procurement by the Tender Offeror of a Valuation Report from an Independent Third-Party Institution

The Company, in determining the per share value of the Target's common stocks in the Tender Offer (the "Tender Offer Price"), requested Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), which is a third-party valuation institution independent from the Company and the Target, to conduct a valuation of common stocks of the Target. Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Company or the Target, and does not have any material interest in this Tender Offer. For the outline of the valuation report concerning the results of calculation of the per share value of the common stocks of the Target obtained by the Company from Mitsubishi UFJ Morgan Stanley (the "Valuation Report"), please refer to "(i) Basis of Calculation" of "(4) Basis of Calculation of Tender Offer Price" in "2. Outline of Tender Offer and Other Information".

(ii) Procurement by the Target of a Valuation Report from an Independent Third-Party Institution

According to the Target's Announcement, in stating its opinion on the Tender Offer, the Target, requested that Nomura Securities, which is a third-party valuation institution independent from the Company and the Target, conduct a valuation of common stocks of the Target, and received a Valuation Report from Nomura Securities on December 15, 2015. Nomura Securities is not a related party of the Company or the Target, and does not have any material interest in the Company or the Target. The Target has not obtained any opinion on the fairness of the Tender Offer Price (a fairness opinion) from Nomura Securities.

Nomura Securities received information concerning the current status and the forecasts of the Target business from the Target's management along with its explanation and conducted the valuation of the common stocks of the Target based on the information.

After considering various valuation methods appropriate for valuing the common stocks of the Target and under the assumption that the Target is a going concern, Nomura Securities evaluated the Target from various perspectives using the following valuation methods. An average market price analysis was conducted, as the Target is listed on the Tokyo Stock Exchange and a market share price exists. Further, an analysis of comparable companies was conducted, as there are several comparable companies, and thus the value of the common stocks of the Target is estimable. A discounted cash flow analysis (the "DCF Analysis") was done to reflect the value of future business activities.

The per share values of common stocks of the Target calculated by Nomura Securities under each of the above-mentioned analysis methods, are as follows:

Average market price analysis: 2,436 yen - 2,512 yen

Comparable companies analysis:	1,766 yen	-	1,815 yen
DCF analysis:	2,195 yen	-	3,338 yen

Under the average market price analysis, by setting the base date for the valuation at December 14, 2015, the business day preceding the announcement of the Tender Offer, the per share value of the Target's common stocks was calculated to be 2,436 yen to 2,512 yen, based upon the closing price of the common stocks of the Target on the base date (2,498 yen), a simple average closing price during the week immediately prior to the base date (2,512 yen) (rounded to the nearest yen; the same shall apply hereinafter for the calculation of simple average closing prices), during the last one month (2,469 yen), during the last three months (2,436 yen) and during the last six months (2,491 yen) on the First Section of the Tokyo Stock Exchange.

Under the comparable companies analysis, based on a comparison with market share prices and financial indicators showing the profitability of listed companies which operate relatively similar businesses, the range of the per share value of the common stocks of the Target was determined to be 1,766 yen to 1,815 yen.

In the DCF Analysis, the corporate value and share value were analyzed by discounting the free cash flows that the Target is expected to generate in the future to the present value using a certain discount rate, based on: the business plan of the Target from fiscal year ending March 2016 to fiscal year ending March 2021, up-to-date business performance trends, and the profit projections of the Target for the years in and after the third quarter of the fiscal year ending March 2016, taking into consideration various other factors including business environment. Consequently, the range of per share value of the common stocks of the Target was determined to be 2,195 yen to 3,338 yen. With respect to the financial projections based on which the valuation under the DCF Analysis was conducted, operating revenue is expected to grow substantially in the range of 10% to 15% from fiscal year ending in March 2016 up to fiscal year ending in March 2021 backed by increase in number of users and volume of transactions of "Ikyu.com" and "Ikyu.com for Restaurants" along with the increase in the number of registered members. A significant increase in net profit by around 30% is expected in the fiscal year ending March 2016 due to the significant increase in operating revenue caused by the strong performance of the Target's main business, which will be beyond the increase in cost caused by the expansion of the business. In addition, according to the Target, the above-mentioned business plan is expected to be made without taking into consideration the Transaction.

Although the Stock Acquisition Rights are also included in the subjects of the Tender Offer, the Target has not obtained a Valuation Report from any third-party valuation institution as the purchase price of the Stock Acquisition Rights is determined to be the difference between the Tender Offer Price and the exercise price of such Stock Acquisition Rights, which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right.

(iii) Advice from Target's Independent Law Firm

According to the Target's Announcement, in order to ensure the fairness and appropriateness of the decision-making by its board of directors, the Target retained Anderson Mori & Tomotsune ("AM&T") as its legal advisor independent from the Company and the Target, and is obtaining legal advice from AM&T in relation to the methods, procedures and other notes concerning the decision-making by its board of directors with respect to the Transaction by the Target.

(iv) Obtainment of Opinion that the Transaction Would Not Disadvantage Minority Shareholders from an Independent Party Who Has No Specific Interest in the Controlling Shareholders of the Company and the Target

According to the Target's Announcement, the Process of Making the Target a Wholly-Owned Subsidiary is planned after the Tender Offer (the details are described above in "(4) Plan for Reorganization after the Tender Offer (Matters Relating to Two-Step Takeover)"), and at the time of the Process of Making the Target a Wholly-Owned Subsidiary, the Tender Offeror will be a controlling shareholder and the transaction will be subject to the "Material Transactions, Etc. with a Controlling Shareholder" provisions of the Code of Corporate Conduct of the Tokyo Stock Exchange. Although the Target's expression of opinion regarding the Tender Offer is not itself a "Material Transaction, etc., with a Controlling Shareholder", in the middle of November 2015 the Target requested that Mr. Hidetaka Nishina (lawyer

from Nakamura, Tsunoda & Matsumoto) and Mr. Tetsuya Sano (certified public accountant from Growin' Partners Inc.), both external advisors who have no specific interest in the Company or the Target, consider whether the Transaction would disadvantage minority shareholders, in order to ensure fairness of the Transaction including the Tender Offer for the shareholders at the time of the Tender Offer and for the minority shareholders at the time of the Making Target a Wholly-Owned Subsidiary as the Transaction is a series of transactions. Mr. Hidetaka Nishina and Mr. Tetsuya Sano consulted and discussed whether the Transaction would disadvantage minority shareholders. These consultations and discussions were based on interviews with the Target related to matters such as the current situation recognized by the Target and predictions about synergies from the Transaction, interviews with Nomura Securities, the financial advisor of the Target, related to the valuation of the common stock of the Target, questions and answers in writing with AM&T, the legal advisor of the Target, related to matters such as the fairness of the Transaction, questions and answers in writing with the Company related to matters such as the current situation recognized by the Target and predictions about synergies from the Transaction, and the Valuation Report as described in (ii) "Procurement by the Target of a Valuation Report from an Independent Third-Party Institution" and other information. As a result, on December 15, 2015, they submitted an opinion to the Target which stated that the Target's decision related to the Transaction is not disadvantageous to minority shareholders of the Target, since: (i) the Transaction will be conducted for the purpose of enhancing the corporate value of the Target and the reasons for the Transaction are not unreasonable, the Company's business strategy for synergy after the Transaction has a certain concreteness, there is no inconsistency or significant difference in recognition between the description of the Company side and the evaluation of the Target side, and it is admitted that the Transaction would contribute to the enhancement of the corporate value of the Target, (ii) in the Transaction, because of the disclosure of the background of how the Tender Offer is to be conducted, the contents of the Tender Agreement between Mr. Mori, the largest and major shareholder and the President and CEO of the Target, and the Tender Offeror, the fact that the shareholders of the Target may petition a court for a decision on the selling price of the common stock of the Target in the Process of Making the Target a Wholly-Owned Subsidiary, the fact that it is planned to pay the Target's minority shareholders cash in substantially the same amount as the Tender Offer Price, etc., it is recognized and ensured that shareholders have appropriate opportunities to make decisions, that measures have been taken to eliminate arbitrariness, and measures have been taken to secure an objective situation to ensure the adequacy of the price, it is admitted that consideration has been given to ensure transparency and rationality of the Transaction, and consideration has been given to shareholders' profit through a fair procedure, (iii) based on the comparison with the valuation of the common stocks of the Target referred to in (ii), "Procurement by the Target of a Valuation Report from an Independent Third-Party Institution" and the fact that it is ensured that there will be a comparable premium to premiums in similar tender offers, the Tender Offer Price could be reasonable.

(v) Unanimous Approval by the Target's Disinterested Directors and No Objection from Disinterested Auditors

According to the Target's Announcement, at the Target's board of directors meeting held on December 15, 2015, the board of directors concluded that, with reference to the Valuation Report and the calculation results obtained from and the explanation thereof by Nomura Securities, legal advice obtained from AM&T and other reference materials, the Transaction would contribute to improving the corporate value of the Target, as it is expected that users of "Yahoo! JAPAN", the service operated by Tender Offeror, will start to use the online reservation services for high-end hotels, Japanese-style inns and restaurants, which are operated by the Target as its strong points, and that it will be possible to receive human resources along with a good deal of know-how from Tender Offeror and its affiliates when the Target runs the business as a wholly-owned subsidiary of the Company while regarding the Tender Offeror as a strategic business partner. In addition, the Tender Offer Price and other terms and conditions of the Tender Offer (a) exceed the range of the per share value of the common stocks of the Target calculated by Nomura Securities as described in (ii) "Procurement by the Target of a Valuation Report from an Independent Third-Party Institution", (b) the Tender Offer Price of 3,433 yen is deemed to fall within a reasonable range in comparison to the premium level of comparable tender offer transactions, as it represents an amount equal to: 37.43% premium (rounded to the second decimal place; the same shall apply hereinafter regarding the calculation of the figures for the premiums) added to the closing price of the common stocks of the Target in the First Section of the Tokyo Stock Exchange on December 14, 2015, the preceding

business day of the announcement of the Tender Offer, of 2,498 yen; a 36.66% premium added to the simple average closing price during the week immediately prior to December 14, 2015, of 2,512 yen; a 39.04% premium added to the simple average closing price during the last one month prior to December 14, 2015, of 2,469 yen; a 40.93% premium added to the simple average closing price during the last three months prior to December 14, 2015, of 2,436 yen; and a 37.82% premium added to the simple average closing price during the last six months prior to December 14, 2015, of 2,491 yen; and (c) the Company gives consideration to minority shareholders' interests by conducting measures to avoid conflicts of interests described in "(3) Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" hereof, thus the Target determined that the Transaction is reasonable to the shareholders of the Target, gives due consideration to protection of the interests of minority shareholders, and that the Tender Offer will provide to the shareholders of the Target a reasonable opportunity to sell their shares.

At the board of directors meeting mentioned above, out of the directors of the Target, Mr. Mori, the President and CEO of the Target, did not participate in any discussion or resolution regarding the Tender Offer, in order to avoid the potential conflict of interest, as Mr. Mori has executed the Tender Agreement with the Tender Offeror. At the relevant board of directors meeting, all the directors were present out of the seven directors of the Target, except the one director mentioned above, and passed a resolution unanimously to state an opinion supporting the Tender Offer as well as to recommend that the Target's shareholders tender their common stocks of the Target in the Tender Offer. As the Tender Offer Price regarding the Stock Acquisition Rights is represented by the difference between the Tender Offer Price and the exercise price of each series of the Stock Acquisition Rights, which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right, the Target has not requested that any third-party valuation institution conduct a valuation of the Stock Acquisition Rights nor has it examined the fairness of unit value of the Stock Acquisition Rights, therefore the board of directors of the Target passed a resolution that a decision on whether or not to tender the Stock Acquisition Rights in the Tender Offer will be left up to each holder of the Stock Acquisition Rights.

According to the Target, all three statutory auditors of the Target including the one full-time and outside statutory auditor, one outside statutory auditor and one regular statutory auditor attended the above-mentioned board of directors meeting. All of them stated opinions supporting the Tender Offer, recommended that the Target's shareholders tender their common stocks of the Target in the Tender Offer and did not have any objection to the resolution that a decision on whether or not to tender the Stock Acquisition Rights in the Tender Offer will be left up to each holder of the Stock Acquisition Rights.

(vi) Measures to Provide Other Purchasers with an Opportunity to Purchase Shares

The Company set the period for the Tender Offer at 30 business days ("Tender Offer Period"), longer than 20 business days, the shortest period stipulated by laws and regulations. By setting a relatively long Tender Offer Period, the Company will ensure the fairness of the Tender Offer Price by providing the Target's shareholders with an appropriate opportunity to determine whether to accept the Tender Offer and providing potential counter-purchasers an opportunity for purchasing shares.

The Company and the Target have no agreement which excessively restricts the Target from contacting counter-purchasers, such as an agreement including transaction-protection clauses which prohibit any contact between the Target and counter-purchasers.

(4) Plan for Reorganization after the Tender Offer (Matters Relating to Two-Step Takeover)

The Tender Offeror, as stated in "(1) Overview of the Tender Offer" above, plans to make the Target a wholly-owned subsidiary of the Tender Offeror, and if the Company fails to acquire all the common stocks of the Target and all the Stock Acquisition Rights through the Tender Offer, the Company plans to acquire all the common stocks of the Target and all the Stock Acquisition Rights immediately after the completion of the Tender Offer by following the steps described below ("the Process of Making the Target a Wholly-Owned Subsidiary").

In particular, in the event that, by means of the Tender Offer, the Tender Offeror holds 90% or more of the voting rights

of all the Target's shareholders, the Tender Offeror shall, pursuant to Article 179 of the Companies Act (Act No.86 of 2005, as amended; the same shall apply hereinafter), demand that all of the Target's shareholders (excluding the Tender Offeror) sell all the common stocks of the Target (the "Demand for the Sale of Shares") and demand that all the holders of the Stock Acquisition Rights (excluding the Tender Offeror) sell all of the Stock Acquisition Rights (the "Demand for the Sale of the Stock Acquisition Rights" and collectively with the Demand for the Sale of Shares, the "Demand for the Sale of Shares, etc.") as soon as practicable. Regarding the Demand for the Sale of Shares, it is intended that the Target's shareholders (excluding the Tender Offeror) will be paid in cash in the same amount as the Tender Offer Price, as the consideration per share of the common stocks of the Target. Regarding the Demand for the Sale of the Stock Acquisition Rights, it is intended that cash will be paid in the same amount as the respective prices for purchase, etc. of the Stock Acquisition Rights, as the consideration for one Stock Acquisition Right paid to the holders of the Stock Acquisition Rights (excluding the Tender Offeror). In such event, the Tender Offeror shall notify the Target to such effect, and shall request that the Target approve the Demand for the Sale of Shares, etc. In the event the board of directors of the Target approves the Demand for the Sale of Shares, etc., in accordance with the procedures provided in the relevant laws and regulations, the Tender Offeror shall, on the date provided for in the Demand for the Sale of Shares, etc., without requiring the individual consents of the shareholders and holders of the Stock Acquisition Rights of the Target, acquire (1) all the common stocks of the Target held by the Target's shareholders (excluding the Tender Offeror) and (2) all the Stock Acquisition Rights held by the all the holders of the Stock Acquisition Rights of the Target (excluding the Tender Offeror). In such event, the Tender Offeror intends to pay, as the consideration for the common stocks or the Stock Acquisition Rights of the Target held or to be held by the shareholders and holders of the Stock Acquisition Rights of the Target, (1) the same amount of cash as the Tender Offer Price per share of the common stocks of the Target to the Target's shareholders, and (2) the same amount of cash as the respective prices for purchase, etc. of the Stock Acquisition Rights per Stock Acquisition Right to the holders of the Stock Acquisition Rights. According to the Target's Announcement, in the event of the Demand for the Sale of Shares, etc. from the Tender Offeror, the Target will approve such Demand for the Sale of Shares, etc. at the board of directors meeting of the Target.

Meanwhile, in the event that the Tender Offer materializes and the voting rights of the Target held by the Tender Offeror is less than 90% of the voting rights of all the Target's shareholders, the Tender Offeror will request that the Target, as quickly as possible, hold an extraordinary meeting of shareholders (the "Extraordinary Shareholders Meeting") to consider an agenda to effect a consolidation of the common stocks of the Target (the "Share Consolidation") and to partially amend the articles of incorporation to abolish the provision on the share unit number, conditional upon the effectiveness of the Share Consolidation. The Tender Offeror intends to vote in favor of each of the agenda items above at the Extraordinary Shareholders Meeting. In the event that the agenda for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, on the effective date of the Share Consolidation, all of the Target's shareholders will hold the number of common stocks of the Target in proportion to the share consolidation ratio approved at the Extraordinary Shareholders Meeting. If the number of fractional shares which arise by virtue of the Share Consolidation is less than one share, cash will be paid to the shareholders with respect to whom fractional shares have arisen, equivalent to the amount which would be obtained by selling the total sum of the fractional shares (in the event the sum includes fractional shares less than one share, such fractional shares shall be rounded down; the same shall apply hereinafter) to the Target or the Tender Offeror, in accordance with the procedures provided in Article 235 of the Companies Act and other relevant laws and regulations. In regards to the selling price of the common stocks of the Target equivalent to the total number of the fractional shares, the amount of cash which will be paid to each of the Target's shareholders who do not accept the Tender Offer (excluding the Tender Offeror) as a result of such sale, will be set to be the same as that calculated by multiplying the Tender Offer price by the number of the common stock of the Target held by each relevant shareholder, and on that basis a petition to the court for voluntary sale permission is planned to be filed. Also, while the consolidation ratio of the common stocks of the Target is yet to be decided as of the date of this announcement, the ratio is planned to be determined in such a manner that the number of the common stocks of the Target held by respective shareholders who do not accept the Tender Offer (excluding the Tender Offeror) will become a fractional share of less than one share, in order that the Tender Offeror will become the holder of all the common stocks of the Target.

In the event of the Demand for the Sale of Shares, etc., pursuant to the Article 179-8 of the Companies Act and other

relevant laws and regulations, the shareholders and the holders of the Stock Acquisition Rights of the Target may petition a court for a decision on the selling price of the common stocks and the Stock Acquisition Rights of the Target, under the Companies Act. In the event that the Share Consolidation is implemented and that the number of fractional shares which arise by virtue of such Share Consolidation is less than one share, pursuant to Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, the Target's shareholders may demand that the Target purchase all of what has become fractional shares of less than one share out of the shares which such shareholders own at a fair price, and they also may petition the court for a determination of the price of the common stocks of the Target, under the Companies Act.

Regarding the procedures stated above, the method or the time for implementing such procedures is subject to change depending on the status of revision, enforcement and interpretation of the relevant laws and regulations by the relevant authorities; the Tender Offeror's holding ratio of share certificates, etc. after the Tender Offer; and the status of holding of the common stocks of the Target other than the Tender Offeror. However, even in such event, cash is planned to be ultimately paid to each shareholder of the Target who does not accept the Tender Offer (excluding the Tender Offeror). In this case, the amount of cash to be paid to each relevant shareholder of the Target is intended to be calculated so that it will be equivalent to the amount which would be obtained by multiplying the Tender Offer Price by the number of the common stocks of the Target held by each of the relevant shareholders. Also, the amount of cash to be paid to each holder of Stock Acquisition Rights who does not accept the Tender Offer, is intended to be calculated so that it will be equivalent to the amount which would be obtained by multiplying the respective prices for purchase, etc. of the Stock Acquisition Right in the Tender Offer by the number of the Stock Acquisition Rights held by each of the relevant shareholders. In the event of any petition to the court for a determination of the selling price of the shares concerning the Demand for the Sale of Shares, etc. or any petition to the court for a determination of the selling price of the shares concerning the Demand for the Sale of Shares with regard to the Share Consolidation, the selling price of the common stocks and the Stock Acquisition Rights of the Target (in case of the Share Consolidation, the common stocks of the Target), or the price concerning the Demand for the Sale of Shares will ultimately be determined by the court.

In addition, the Tender Offeror shall, in the event that the voting rights of the Target held by the Tender Offeror is less than 90% of the voting rights of all the Target's shareholders and the Tender Offeror fails to acquire all the Stock Acquisition Rights through the Tender Offer, request from the Target an acquisition and cancellation of the Stock Acquisition Rights or any other reasonably necessary procedures, or shall implement such procedures.

This Tender Offer is not a solicitation of agreement of the Target's shareholders at the Extraordinary Shareholders Meeting.

(5) Prospects of, and Reasons for Delisting

As of the date of this announcement, the shares of the Target are listed on the First Section of the Tokyo Stock Exchange. However, it is possible that, as a result of the Tender Offer, these shares may be delisted, in accordance with the prescribed procedures, pursuant to the delisting standards of the Tokyo Stock Exchange, since the Company has not set the maximum number of shares to be acquired through the Tender Offer. Even if the relevant delisting standards are not satisfied at the time of the completion of the Tender Offer, the shares of the Target will eventually be delisted, in accordance with the prescribed procedures, pursuant to the delisting standards of the Tokyo Stock Exchange, because, after the completion of the Tender Offer, the Company plans to implement the procedures in order to acquire all the common stocks of the Target as stated in "(4) Plan for Reorganization after the Tender Offer (Matters Relating to Two-Step Takeover)" above. After the delisting, it will be impossible to trade the shares of the Target on the First Section of the Tokyo Stock Exchange.

(6) Details of Material Agreements Concerning Tender Offer

The Company executed the Tender Agreement with Mr. Mori, the largest and major shareholder and the President and CEO of the Target, (owning 12,039,600 shares as of the date of the submission of this announcement; ownership ratio: 41.17 %) and MORI TRUST, the second largest shareholder as of September 30, 2015 (owning 3,321,500 shares as of the date of the submission of this announcement; ownership ratio: 11.36 %) as of December 15, 2015. Both Mr. Mori and MORI TRUST agree to, based on the Tender Agreement, tender all the shares of the Target which each of them owns (the total number of 15,361,100 shares, the aggregate owning ratio of 52.53 %) for the Tender Offer and not to cancel the

resulting agreement for tendering the common stocks of the Target.

In the agreement executed with Mr. Mori, Mr. Mori's obligation to tender his shares in the Tender Offer and not to cancel the resulting agreement to tender the common stock of the Target is prescribed based on the following preconditions. However, it is also stipulated that Mr. Mori may, at his own discretion, waive any of the following preconditions. Pursuant to the Tender Agreement, Mr. Mori, the President and CEO of the Target, will resign as a director of the Target Company immediately after the commencement date of the settlement.

(i) Representations and warranties of the Tender Offeror in the Tender Agreement (Note 1) are true and accurate in all material respects

(ii) The obligation to the Tender Offeror (Note 2), based on the Tender Agreement, that should be complied with or implemented in all material respects prior to the start date of the Tender Offer or the period prior to the Tender Offer start date are complied with or implemented.

(iii) No court order or judgment from the court to limit or prohibit Mr. Mori's application of the Tender Offer (including claims for such orders or judgments from third parties) has been made, etc.

(Note 1) The Tender Offeror represents and warrants to Mr. Mori that (i) the Tender Offeror is lawfully and validly established and existing; (ii) the Tender Offeror has the necessary authority and power to execute and perform the Tender Agreements; (iii) the Tender Agreements are enforceable against the Tender Offeror; (iv) the execution and performance of the Tender Agreements do not conflict with any laws etc.; and (v) the Offeror has never been an antisocial force or related to antisocial forces.

(Note 2) The Tender Offeror has certain obligations, including (i) the obligation to provide notice in case a breach of representations or warranties has occurred; (ii) the obligation to maintain confidentiality; (iii) the obligation to bear its own expenses; (iv) the prohibition of assignment of contractual status.

There are no preconditions contained in the agreement with MORI TRUST for MORI TRUST to make an application for the Tender Offer.

In addition, the Tender Offeror executed a capital and business alliance agreement with the Target as of December 15, 2015. The outline of such capital and business alliance agreement is as follows.

(i) The Tender Offeror and the Target shall have a capital and business alliance (the "Capital and Business Alliance") for the purpose of further strengthening of the growing force and competitive power of the Tender Offeror and the Target, through the more effective use of the Target's strong network with lodging facilities and restaurants, and strong high-end customer base, both of which were cultivated by the Target since its establishment, and the management resources and infrastructure of the Tender Offeror and its affiliates, such as know-how, human resources and networks.

(ii) The Tender Offeror and the Target shall have a business alliance for the purpose of establishing a cooperative relationship that will utilize the strengths of the Tender Offeror and the Target, and decide on concrete business activities after discussing such opportunities together. The Tender Offeror shall respect the independence as a legal person and the autonomy of the management of the Target as much as possible in order to achieve the purpose of the Capital and Business Alliance, further strengthening the growing force and competitive power of the Tender Offeror and the Target.

(iii) The Target shall announce the contents of the resolution of the board of directors regarding any opinion in support of the Tender Offer and a recommendation for the Target's shareholders to tender in the Tender Offeror (the "Assent Resolution") (including the unanimous approval of all attending directors regarding the Assent Resolution and obtaining an opinion that all attending corporate auditors have no objections to the Assent Resolution), on the execution date of the capital and business alliance agreement. Furthermore, the Target shall not withdraw the Assent Resolution or propose or pass any resolution of the board of directors of the Target that would be inconsistent with the Assent Resolution, during the Tender Offer Period. (Note 3)

(iv) The Target (i) shall perform, and cause all of its subsidiaries to perform, its business in substantially the same manner as prior to the conclusion of the capital and business alliance agreement, and within the ordinary scope thereof with the due care of a prudent manager, except in the case where and to the extent that the matter is described differently in the capital and business alliance agreement, and provided that written consent from the Company is obtained in advance, and (ii) may conduct, and cause any of its subsidiaries to issue common stock, etc. of the Target and conduct reorganizations or other certain important matters, excluding the matters stated in the capital and business alliance

agreement, only if the Target notifies the Company by written notice in advance, and obtains written consent in advance from the Company, after the execution date of the capital and business alliance agreement before the completion of the Process of Making the Target a Wholly-Owned Subsidiary. (Note 3)

(v) Before the completion of the Process of Making the Target a Wholly-Owned Subsidiary, the Target may not start a comprehensive business alliance, etc. with any third party regarding the provision of online lodging reservation services or online restaurant reservation services which the Target operates as of the execution date of the capital and business alliance agreement without the prior written consent of the Tender Offeror.. (Note 3)

(vi) If the Tender Offer is completed, the Target may not distribute year-end dividends for the fiscal year ending March 2016 or any other dividends for which the record date for distributing them falls on any date up to the day prior to the date of the completion of the Process of Making the Target a Wholly-Owned Subsidiary.

(vii) If the Tender Offer will be completed and the Company fails to acquire all of the common stocks of the Target and all of the Stock Acquisition Rights through the Tender Offer, the Target shall provide reasonable necessary cooperation to complete the Process of Making the Target a Wholly-Owned Subsidiary.

(viii) The Tender Offeror agrees to handle the employees hired by the Target based on work rules or internal rules regarding the relevant personnel and wages including any treatment (including welfare benefits) applicable to them as of the commencement date of settlement, for a period of three years from the commencement date of settlement.

(Note 3) However, in both cases stipulated above, this shall not apply, if the Target reasonably determines that the execution of any of the actions stipulated above by its directors would constitute a violation of the directors' duty to exercise the due of care of a prudent manager. In such case, the Target shall consult with the Company in good faith, in accordance with the spirit of the capital and business alliance agreement on how to deal with the matter and/or any countermeasures, prior to conducting the action dealing with the matter or countermeasure concerned.

2. Outline of Tender Offer and Other Information

(1) Outline of Target

(i)	Corporate Name	Ikyu Corporation
(ii)	Head Office	3-3-3, Akasaka, Minato-ku, Tokyo
(iii)	Name and Title of Representative	President and CEO Masabumi Mori
(iv)	Description of Business	Operation of various Internet sites that provide reservation services for hotels and restaurants etc.
(v)	Paid-in Capital	948,754 thousand yen (as of September 30, 2015)
(vi)	Date Established	July 30, 1998
(vii)	Major Shareholders and Shareholding Ratio (as of September 30, 2015)	Masabumi Mori 41.33% MORI TRUST CO., LTD. 11.40% Japan Trustee Services Bank, Ltd. (Trust Account) 2.33% State Street Bank and Trust Company 1.81% (standing proxy: HSBC Services Japan Limited, Tokyo Branch, Custody Service Department) The Master Trust Bank of Japan ,Ltd. (Trust Account) 1.57% The Bank of New York GCM Client Accounts EILM 1.10% (standing proxy: The Bank of Tokyo Mitsubishi UFJ) The Bank of New York GCM Client Accounts JPRDISGFEAC 1.04% (standing proxy: The Bank of Tokyo Mitsubishi UFJ) Yuji Takano 1.04% Japan Trustee Services Bank, Ltd. (Trust Account 9) 1.03% Trust & Custody Services Bank, Ltd. (Security Investment Trust 0.98%

		Account)
(viii)	Relationships between the Company and the Target:	
	Capital Relationship	There is no capital relationship between the Company and the Target to be specified.
	Personnel Relationship	There is no personnel relationship between the Company and the Target to be specified.
	Transaction Relationship	The Company and the Target entered into a business alliance in November 2007 for the lodging-related business, where the Company lists lodging plans provided by the Target on its travel related information service, and in addition entered into a business alliance in January 2011 for the restaurant-related business, where the Company lists information of restaurants to which the Target offers reservation services, on its restaurant-related information service.
	Status as a Related Party	Not applicable.

(Note 1) The "Shareholding Ratio" has been prepared based on the Target's Second Quarterly Report of the 18th Business Period.

(2) Schedule and Other Matters

(i) Schedule

Resolution of Board of Directors	December 15, 2015 (Tuesday)
Date of Public Notice of Commencement of Tender Offer	December 16, 2015 (Wednesday)
Newspaper Listing Public Notice	Public notice will be made electronically and a notice thereof will be published in The Nihon Keizai Shimbun. (URL of electronic disclosure: http://disclosure.edinet-fsa.go.jp)
Filing Date of Tender Offer Registration Statement	December 16, 2015 (Wednesday)

(ii) Tender Offer Period determined at time of filing of the tender offer registration statement

From December 16, 2015 (Wednesday) through February 3, 2016 (Wednesday) (thirty business days)

(iii) Possibility of Extension Pursuant to Request by Target

Not applicable.

(3) Tender Offer Price

(i) Common Stock 3,433 yen per share

(ii) Stock Acquisition Rights

(a) Stock acquisition rights issued, pursuant to a resolution passed at the Target's board of directors meeting held on June 21, 2013 ("Eleventh Series Stock Acquisition Rights") 196,100 yen per unit

(b) Stock acquisition rights issued, pursuant to a resolution passed at the Target's board of directors meeting held on June 20, 2014 ("Twelfth Series Stock Acquisition Rights") 207,400 yen per unit

(c) Stock acquisition rights issued, pursuant to a resolution passed at the Target's board of directors meeting held on October 30, 2014 ("Thirteenth Series Stock Acquisition Rights") 195,500 yen per unit

(d) Stock acquisition rights issued, pursuant to a resolution passed at the Target's board of directors meeting held on June 23, 2015 ("Fourteenth Series Stock Acquisition Rights" and Eleventh Series through Fourteenth Series Stock Acquisition Rights defined as the "Stock Acquisition Rights") 73,500 yen per unit

(4) Basis of Calculation, etc. of Tender Offer Price

(i) Basis of Calculation

(a) Common stock

In determining the Tender Offer Price, the Company requested that Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation institution that is independent from the Company and the Target, perform a valuation of the shares of the Target. Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Company or the Target and does not have any material interest in the Tender Offer.

Mitsubishi UFJ Morgan Stanley Securities conducted a valuation of the shares of the Target based on each of the market price analysis, comparable companies analysis and DCF Analysis, and the Company obtained the Valuation Report from Mitsubishi UFJ Morgan Stanley Securities on December 14, 2015. The Company has not obtained any opinion on the fairness of the Tender Offer Price (a fairness opinion) from Mitsubishi UFJ Morgan Stanley Securities. The per share value ranges of the common stocks of the Target calculated by each of the above methods of analysis are as follows:

Market price analysis	:2,436 yen	-	2,491yen
Comparable companies analysis	:2,407 yen	-	3,188 yen
DCF Analysis	:2,762 yen	-	4,042 yen

In the market price analysis, the base date was set as December 14, 2015 and the valuation per share of the Target's common stocks was made based upon the simple average closing prices of the Target's common stocks on the First Section of the Tokyo Stock Exchange of one month, three months and six months immediately prior to the base date (2,469 yen, 2,436 yen and 2,491 yen, respectively). Under the market price analysis, the price range for the value per share of the Target's common stocks was determined to be 2,436 yen to 2,491 yen.

In the comparable companies analysis, the value of the common stocks of the Target was assessed through a comparison of the financial indicators representing the market share prices and profitability of listed companies engaged in business that is similar to that of the Target, and the per share value of the common stocks of the Target was determined to be 2,407 yen to 3,188 yen.

In the DCF Analysis, the corporate value and share value were analyzed by discounting the free cash flows that the Target is expected to generate in the future to the present value using a certain discount rate, based on: the business plan of the Target from fiscal year ending March 2016 to fiscal year ending March 2021, up-to-date business performance trends, and the profit projections of the Target for the years in and after the fiscal year ending March 2016, taking into consideration various other factors including business environment; under the analysis, the price range for the value per share of the Target's common stocks was determined to be 2,762 yen to 4,042 yen.

(Note 1) Mitsubishi UFJ Morgan Stanley Securities, when valuing the value per share of the Target, in principle relied upon the information received from the Company and the Target as well as the information generally disclosed to the public, etc., and assumed the accuracy and completeness of such materials and information, etc., without conducting independent verification of such accuracy and completeness. Also, no independent valuation or appraisal has been made of the assets and liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) of the Target, and no request to any third-party valuation institution for appraisal or assessment has been made. In addition, regarding the information concerning the Target's financial forecasts, it is assumed that they were reasonably prepared based on the best estimates and judgments made by the management of the Target at this point. The valuation of the shares of the Target by Mitsubishi UFJ Morgan Stanley Securities reflects the above information up to December 14, 2015.

Referring to the contents and valuation results described in the Valuation Report obtained from Mitsubishi UFJ Morgan Stanley Securities, the Company made a comprehensive review of, among other factors, the

possibility of obtaining an opinion in support of the Tender Offer from the board of directors of the Target, the results of the due diligence on the Target, the trend in the market price of the Target's shares for the latest one month and the number of shares expected to be tendered in the Tender Offer. As a result, at the board of directors meeting of the Company held on December 15, 2015, the Tender Offer Price was finally determined to be 3,433 yen per share.

The Tender Offer Price of 3,433 yen per share represents the amount derived by adding the premiums of 37.43% on 2,498 yen, which is the closing price of the Target's common stocks on the First Section of the Tokyo Stock Exchange on December 14, 2015, the business day immediately prior to the announcement of the Tender Offer; 39.04% on 2,469 yen, which is the simple average closing price for the last one month (from November 16, 2015 to December 14, 2015); 40.93% on 2,436 yen, which is the simple average closing price for the last three months (from September 15, 2015 to December 14, 2015); and 37.82% on 2,491 yen, which is the simple average closing price for the last six months (from June 15, 2015 to December 14, 2015).

(b) Stock Acquisition Rights

The scope of the Tender Offer includes the Stock Acquisition Rights. As of the date of submission of this announcement, out of the Stock Acquisition Rights, the Eleventh Series Stock Acquisition Rights have already entered into the exercise period, and each of the exercise prices per share of the Eleventh Series Stock Acquisition Rights, the Twelfth Series Stock Acquisition Rights, the Thirteenth Series Stock Acquisition Rights and the Fourteenth Series Stock Acquisition Rights is lower than the Tender Offer Price of 3,433 yen (the exercise price of: the Eleventh Series Stock Acquisition Rights of 1,472 yen, the Twelfth Series Stock Acquisition Rights of 1,359 yen, the Thirteenth Series Stock Acquisition Rights of 1,478 yen and the Fourteenth Series Stock Acquisition Rights of 2,698 yen). At the board of directors meeting of the Company held on December 15, 2015 the purchase price of the Eleventh Series Stock Acquisition Rights was determined to be 196,100 yen, calculated based on 1,961 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 1,472 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; the purchase price of the Twelfth Series Stock Acquisition Rights to be 207,400 yen, calculated based on 2,074 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 1,359 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; the purchase price of the Thirteenth Series Stock Acquisition Rights to be 195,500 yen, calculated based on 1,955 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 1,478 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; and the purchase price of the Fourteenth Series Stock Acquisition Rights to be 73,500 yen, calculated based on 735 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 2,698 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; respectively.

Although any transfer of the Stock Acquisition Rights requires an approval by resolution of the board of directors of the Target, according to the Target, the board of directors meeting of the Target held on December 15, 2015, gave comprehensive approval for any transfer of the Stock Acquisition Rights to the Tender Offeror by the holders of the Stock Acquisition Rights in response to the Tender Offer, on condition that the Tender Offer is completed.

As the Tender Offer Price regarding the Stock Acquisition Rights is represented by the difference between the Tender Offer Price and the exercise price of each series of the Stock Acquisition Rights, which is multiplied by 100, being the number of common stocks which can be purchased by one relevant Stock Acquisition Right, and is therefore equivalent to the purchase price regarding the common stocks of the Target, the Company has not obtained a valuation report from a third party for the purpose of determining the purchase price, etc. of the Stock Acquisition Rights in the Tender Offer.

(ii) Process of Calculation

(Common stock)

The Company was approached by Nomura Securities Co., Ltd. ("Nomura Securities"), the financial advisor of the Target, around September 2015, to sound out the Company's interest in acquiring common stocks in the Target as well as entering into a capital and business alliance with the Target, on the premise of Mr. Mori's, the largest and major shareholder and the President and CEO of the Target, intention to sell his stake in the Target. In response, the Company started initial deliberations upon being approached by Nomura Securities. During October and November 2015, the Company, as one of the potential partners, held multiple meetings with the management of the Target to consider the value of the Target's business and to discuss future possibilities, and considered acquiring common stocks of the Target. Furthermore, the Company, with the aim of gaining the understanding of Mr. Mori, the largest and major shareholder and the President and CEO of the Target, held multiple meetings in October 2015 to explain the Company's view on future collaborative efforts with the Target and to discuss and negotiate economic conditions on the transfer of common stocks of the Target possessed by him. Thereafter, on November 6, 2015, the Company submitted a Letter of Intent to the Target. In response to the submission, the Target decided at the board of directors meeting held on November 9, 2015, to position the Company as a leading candidate after reviewing the contents of the Letter of Intent and its proposal. Accordingly, the Company started full-scale discussions and deliberations with the Target, and began conducting due diligence of the Target and in parallel held several meetings with the Target to discuss potential synergies between the two companies.

As a result, the Company and the Target reached the common understanding that by combining and leveraging the Target's strong network with lodging facilities and restaurants, and strong high-end customer base, both of which were cultivated by the Target since its establishment, together with the Company Group's capabilities of management resource and infrastructure which possess know-how, human resources and networks, it will be possible to further strengthen the growing force and the competitive power of the Tender Offeror and the Target. Therefore, the Company has decided that it would be the best option to welcome the Target as a wholly-owned subsidiary and on December 15, 2015, the board of directors meeting of the Company resolved to conduct the Tender Offer based on the process of calculation of the Tender Offer Price as described below.

(a) Hearing from Third Party Concerning Calculation

In determining the Tender Offer Price, the Company requested that Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation institution that is independent from the Company and the Target, conduct a valuation of the shares of the Target. Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Company or the Target and does not have any material interest in the Tender Offer.

(b) Outline of Valuation

Mitsubishi UFJ Morgan Stanley Securities used the market price analysis, comparable companies analysis and DCF Analysis in the valuation of shares of the Target. The Company obtained the Valuation Report from Mitsubishi UFJ Morgan Stanley Securities on December 14, 2015. The Company has not obtained any opinion on the fairness of the Tender Offer (a fairness opinion) from Mitsubishi UFJ Morgan Stanley Securities. The per share value ranges of the Target by each of the methods of analysis stated above are as follows:

Market price analysis	: 2,436 yen	-	2,491 yen
Comparable companies analysis	: 2,407 yen	-	3,188 yen
DCF Analysis	: 2,762 yen	-	4,042 yen

(c) Decision-making Process Concerning Tender Offer Price

a. Common stocks

Referring to the contents and valuation results described in the Valuation Report obtained from Mitsubishi UFJ Morgan Stanley Securities, the Company made a comprehensive review of, among other factors; the possibility of obtaining an opinion in support of the Tender Offer from the board of directors of the Target; the

possibility of obtaining a Tender Agreement with Mr. Mori, the largest and major shareholder, and President and CEO of the Target, and discussions and negotiations on the economic conditions; the results of the due diligence on the Target; the trend in the market price of the Target's shares for the latest one month; and the number of shares expected to be tendered in the Tender Offer. As a result, at the board of directors meeting of the Company held on December 15, 2015, the Tender Offer Price was finally determined to be 3,433 yen per share.

b. Stock Acquisition Rights

Regarding the Stock Acquisition Rights, the exercise price of the Eleventh Series Stock Acquisition Rights, the Twelfth Series Stock Acquisition Rights, the Thirteenth Series Stock Acquisition Rights and the Fourteenth Series Stock Acquisition Rights (1,472 yen, 1,359 yen, 1,478 yen and 2,698 yen, respectively) is lower than the Tender Offer Price of 3,433 yen. At the board of directors meeting of the Company held on December 15, 2015 the purchase price of the Eleventh Series Stock Acquisition Rights is determined to be 196,100 yen, calculated based on 1,961 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 1,472 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; the purchase price of the Twelfth Series Stock Acquisition Rights to be 207,400 yen, calculated based on 2,074 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 1,359 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; the purchase price of the Thirteenth Series Stock Acquisition Rights to be 195,500 yen, calculated based on 1,955 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 1,478 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; and the purchase price of the Fourteenth Series Stock Acquisition Rights to be 73,500 yen, calculated based on 735 yen (the difference between the Tender Offer Price of 3,433 yen and the exercise price of such Stock Acquisition Rights of 2,698 yen), which is multiplied by 100, the number of common stocks which can be purchased by one relevant Stock Acquisition Right; respectively.

(iii) Relationship with Valuation Institution

Mitsubishi UFJ Morgan Stanley Securities, the financial advisor of the Company, is not a related party of the Company or the Target and does not have any material interest in the Tender Offer.

(5) Number of Share Certificates and Other Securities to Be Acquired

Number to Be Acquired	Minimum Number to Be Acquired	Maximum Number to Be Acquired
29,238,300 shares	19,492,200 shares	— shares

(Note 1) If the aggregate number of the Tendered Share Certificates does not fulfill the minimum number of shares to be acquired (19,492,200 shares), the Company will not purchase any of the Tendered Share Certificates. If the aggregate number of the Tendered Share Certificates is equal to or greater than the minimum number of shares to be acquired, the Company will purchase all of the Tendered Share Certificates.

(Note 2) The number of shares described in the column "Numbers to Be Acquired" is the maximum number of share certificates and other securities of the Target to be acquired by the Tender Offeror through the Tender Offer (29,238,300 shares). This maximum number (29,238,300 shares) is obtained by adding: the number of shares of common stocks of the Target to be issued for the remaining Stock Acquisition Rights (a total of 108,700 shares) (the Eleventh Series Stock Acquisition Rights (103 units), the Twelfth Series Stock Acquisition Rights (384 units), the Thirteenth Series Stock Acquisition Rights (300 units) and the Fourteenth Series Stock Acquisition Rights (300 units); 1,087 units in total), which is the total of the Eleventh Series Stock Acquisition Rights (300 units), the Twelfth Series Stock Acquisition Rights (384

units), and the Thirteenth Series Stock Acquisition Rights (300 units) as of May 31, 2015, as set forth in the Annual Securities Report for the 17th Business Period, and the Fourteenth Series Stock Acquisition Rights (300 units) as of September 30, 2015, as set forth in the Target's Second Quarterly Report of the18th Business Period, excluding the Stock Acquisition Rights exercised up to the date of the announcement (according to the Target, 197 units of the Eleventh Series Stock Acquisition Rights have already executed up to the date of the announcement) to the number of the total issued shares of the Target as of September 30, 2015 (29,129,600 shares), as set forth in the Second Quarterly Report of the 18th Business Period.

(Note 3) The Tender Offer also targets the shares less than one unit. If the right to request purchase of shares less than one unit is exercised by a shareholder pursuant to the Companies Act, the Target may purchase its own shares from such shareholder during the Tender Offer Period in accordance with the statutory procedures.

(Note 4) Any of the Stock Acquisition Rights may be exercised on or prior to the last day of the Tender Offer Period. Common stocks of the Target that are to be issued or transferred upon such exercise are also subject to the Tender Offer.

(6) Changes in Ownership Percentage of Share Certificates and Other Securities through Tender Offer

Number of Voting Rights Represented by Share Certificates and Other Securities Held by Tender Offeror prior to Tender Offer:	—(units)	(Ownership Percentage of Share Certificates before Tender Offer: - %)
Number of Voting Rights Represented by Share Certificates and Other Securities Held by Special Related Parties prior to Tender Offer:	—(units)	(Ownership Percentage of Share Certificates before Tender Offer: - %)
Number of Voting Rights Represented by Share Certificates and Other Securities Held by Tender Offeror after Tender Offer:	292,383(units)	(Ownership Percentage of Share Certificates after Tender Offer: 100.00%)
Number of Voting Rights Represented by Share Certificates and Other Securities held by Special Related Parties after Tender Offer:	—(units)	(Ownership Percentage of Share Certificates after Tender Offer: - %)
Total Number of Voting Rights of Shareholders of the Target	291,252(units)	

(Note 1) "Number of Voting Rights Represented by Share Certificates and Other Securities Held by Tender Offeror after Tender Offer" is the number of voting rights represented by the shares to be acquired (29,238,300 shares) in the Tender Offer.

(Note 2) "Total Number of Voting Rights of Shareholders of the Target" is the total number of voting rights of all shareholders of the Target Company as of September 30, 2015, as described in the Target's Second Quarterly Report of the 18th Business Period. However, since Target's shares constituting less than a whole unit and the Stock Acquisition Rights are also subject to the Tender Offer, for the purpose of calculating "Ownership Percentage of Share Certificates prior to the Tender Offer" and "Ownership Percentage of Share Certificates after the Tender Offer", the denominator used in the calculation of the total number of voting rights of shareholders of the Target Company was 292,383 units, which is based on the Base Number of Shares (29,238,300 shares).

(Note 3) "Ownership Percentage of Share Certificates before Tender Offer" and "Ownership Percentage of Share Certificates after Tender Offer" are rounded to two decimal places.

(7) Purchase Price 100,197,618,300 yen

(Note) "Purchase Price" is the total number of (A) the amount obtained by multiplying the number of shares (29,139,900 shares) obtained by deducting (i) the number of common stocks of the Target (98,400 shares) which are the object of the Stock Acquisition Rights (984 units) which are unvested and not to be exercisable during the Tender Offer Period from (ii) the number of shares to be acquired (29,238,300 shares) in the Tender Offer, by the Tender Offer Price (3,433 yen per share), and (B) the amount required to acquire the unvested Stock Acquisition Rights (984 units) by the purchase price for each of the relevant Stock Acquisition Rights. The unvested Stock Acquisition Rights are as follows.

a. The number of Twelfth Series Stock Acquisition Rights (384 units) multiplied by the purchase price 207,400 yen per unit (79,641,600 yen)
b. The number of Thirteenth Series Stock Acquisition Rights (300 units) multiplied by the purchase price 195,500 yen per unit (58,650,000 yen)
c. The number of Fourteenth Series Stock Acquisition Rights (300 units) multiplied by the purchase price 73,500 yen per unit (22,050,000 yen)

(8) Method of Settlement

(i) Name and Address of Head Office of Financial Instruments Business Operators and Banks in Charge of Settlement ("Tender Offer Agent")

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

kabu.com Securities Co., Ltd. ("Sub-Agent")
3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

(ii) Commencement Date of Settlement

February 10, 2016 (Wednesday)

(iii) Method of Settlement

A notice of purchase, etc. by Tender Offer will be mailed to the address of each tendering shareholder (or the standing proxy in the case of foreign shareholders) promptly after the end of the Tender Offer Period. In addition, delivery of such notice by the Sub-Agent will be made via electromagnetic method by displaying it on the website after logging in.

Payment for the purchase will be made in cash. The Tender Offer Agent will, in accordance with the instructions of the tendering shareholders (or the standing proxy in the case of foreign shareholders), remit the proceeds from the sale of tendered securities promptly after the commencement date of settlement to the account designated by the tendering shareholder (or the standing proxy in the case of foreign shareholders).

(iv) Method of Returning Share Certificates and Other Securities

If all of the shares tendered are not purchased in accordance with the terms described in "(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act" and "(ii) Conditions for Withdrawal of Tender Offer, Details Thereof and Method of Disclosure for Withdrawal" under "(9) Other Conditions and Methods of Tender Offer", the tendered shares, etc. that should be returned will be returned to the tendering shareholders promptly after the commencement date of settlement of Tender Offer (or the date of withdrawal of Tender Offer if the Tender Offer is withdrawn).

The shares will be returned by causing the record of the shares that should be returned, to be restored to its state immediately prior to such tendering, at the tendering shareholders account of the Tender Offer Agent.

The Stock Acquisition Rights required to be returned will be returned either by the personal delivery of the document submitted upon tendering the Stock Acquisition Rights to the tendering shareholders, or by such document

being mailed to the address of the tendering shareholders, according to the tendering shareholders' instructions.

(9) Other Conditions and Methods of Tender Offer

(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act

If the aggregate number of Tendered Share Certificates does not fulfill the minimum number of shares to be acquired (19,492,200 shares), the Company will not purchase the Tendered Share Certificates. If the aggregate number of the Tendered Share Certificates is equal to or greater than the minimum number of shares to be acquired (19,492,200 shares), the Company will purchase all of the Tendered Share Certificates.

(ii) Conditions for Withdrawal of Tender Offer, Details Thereof and Method of Disclosure for Withdrawal

The Tender Offeror may withdraw the Tender Offer if any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9, Items 1.12 through 1.18, Items 3.1 through 3.8, Item 3.10, and Item 4, and Article 14, Paragraph 2, Items 3 through 6, of the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No.321 of 1965, as amended, the "Enforcement Order"), occurs. In the Tender Offer, "matters equivalent to the matters listed in Items 1.1 through 1.9" in Article 14, Paragraph 1, Item 3.10 of the Enforcement Order means the case where it is found that the statutory disclosure documents that the Target previously submitted are proven to contain erroneous descriptions of material matters, or not to include matters that are required to be stated.

In the case where by the day immediately preceding the last day of the Tender Offer Period (includes the case in which an extension has been made), in connection with the prior notification of the Tender Offeror to the Fair Trade Commission of Japan pursuant to the provisions of Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, including subsequent amendments), (i) the Tender Offeror has received prior notice of a cease and desist order demanding the transfer of part of the Target's business from the Fair Trade Commission, (ii) the period of the cease and desist order has not ended, or (iii) the Tender Offeror has had an urgent temporary suspension order filed against it in a court of law on the grounds that the Tender Offeror is a party who conducts acts with the likelihood of violating the provisions of Article 10, Paragraph 1 of the same act; withdrawal, etc. of the Tender Offer may be conducted as a case in which a "permission, etc." set forth in Article 14, Paragraph 1, Item 4 of the Enforcement Order could not be acquired.

Should the Tender Offeror intend to withdraw the Tender Offer, it will give public notice through electronic disclosure as well as in the Nihon Keizai Shimbun. However, if it is difficult to give such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method set out in Article 20 of Cabinet Office Ordinance Concerning the Disclosure of Tender Offers for Share Certificates, etc. by Persons Other than Issuers (Ordinance of the Ministry of Finance No. 38 of 1990, as amended, the "TOB Order") and give public notice immediately after making the announcement.

(iii) Conditions of Reduction of Tender Offer Price and Method of Disclosure of Reduction

Under the provisions of Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company takes any action set out in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price pursuant to standards set forth in Article 19, Paragraph 1, of the TOB Order. Should the Tender Offeror intend to reduce the Tender Offer Price, it will give notice through electronic disclosure and give notice of such disclosure in the Nihon Keizai Shimbun. However, if it is difficult to give such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method set out in Article 20 of the TOB Order and give public notice immediately after making the announcement. If the Tender Offer Price is reduced, the Tender Offeror will purchase any Tendered Share Certificates tendered prior to the notice at the reduced Tender Offer Price.

(iv) Matters Concerning Tendering Shareholders' Right of Cancellation of Application

Tendering shareholders may, at any time during the Tender Offer Period, cancel an application for the Tender Offer. In the event of such cancellation, the tendering shareholders must deliver or mail a written request to cancel

the application for the Tender Offer (the "Written Request for Cancellation"), with the "Receipt of Application for the Tender Offer" enclosed, to the head office or any branch offices in Japan of the Tender Offer Agent by 4:00 p.m. on the last day of the Tender Offer Period. Cancellation of application shall become effective when the Written Request for Cancellation is delivered to or received by the entity defined below. If by mail, the cancellation of the application of the Tender Offer will not be effective unless the Written Request for Cancellation is received by the entity defined below by 4:00 p.m. on the last day of the Tender Offer Period. In the event of the cancellation of application tendered through the Sub-Agent, kabu.com Securities Co., Ltd., tendering shareholders must follow the procedures for the cancellation of application by 4:00 p.m. on the last day of the Tender Offer Period through the website after logging in the way described in "Tender Offer (TOB)" (http://kabu.com/item/tob/) on its website (http://kabu.com/).

Entity authorized to receive the Written Request for Cancellation:

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(and other branch offices of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. in Japan)

No compensation for damages or penalty payment will be demanded of any tendering shareholder by the Tender Offeror in the event that the application by the tendering shareholder is canceled. The cost of returning the tendering share certificates and other securities will be borne by the Tender Offeror.

(v) Method of Disclosure if the Conditions or other Terms of Tender Offer are Changed

The Tender Offeror may change the terms and conditions of the Tender Offer during the Tender Offer Period, unless such change is prohibited under the items of Article 27-6, Paragraph 1 of the Act and Article 13 of the Enforcement Order.

Should any of the terms and conditions of the Tender Offer be changed, the Tender Offeror will give electronic public notice thereof and give notice of such disclosure in the Nihon Keizai Shimbun. However, if it is deemed difficult to make such notice within the Tender Offer Period, the Tender Offeror will make an official announcement in accordance with Article 20 of the TOB Order, and give public notice immediately after making the announcement. The purchase of the shares and other securities tendered prior to such public notice will also be made in accordance with the changed terms and conditions.

(vi) Method of Disclosure of Amendment Statement

If the Tender Offeror submits an amendment statement to the Director-General of the Kanto Local Finance Bureau (except in circumstances provided for under the provisions of Article 27-8, Paragraph 11 of the Act), the Tender Offeror will promptly make an official announcement of the contents of such amended statement to the extent relevant to the contents of the public notice of the commencement of the Tender Offer, pursuant to Article 20 of the TOB Order. The Tender Offeror will also promptly amend the Tender Offer Explanation Statement ("Tender Offer Explanation Statement") and provide an amended Tender Offer Explanation Statement to the tendering shareholders who have received the original Tender Offer Explanation Statement. If the amendments are limited in extent, however, the Tender Offeror may make the amendment by preparing and delivering a document stating the reason for the amendments, the matters amended and the details thereof to the tendering shareholders.

(vii) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be made public by the method set out in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order on the day following the last day of the Tender Offer Period.

(viii) Other

The Tender Offer shall not, directly or indirectly, be carried out in the United States or be directed toward the United States, or by the U.S. postal service, or any other means or instrument of interstate or international commerce (including, but not limited to, telephone, telexes, facsimile transmissions, electronic mail, and internet communications) or through securities exchange facilities in the United States. Application for the Tender Offer by the aforementioned methods/means, or through the aforementioned facilities, or from the United States, shall not be permitted.

In addition, this announcement and related documents concerning the Tender Offer shall not be mailed or distributed in, to, or from the United States via the postal service or any other means, and accordingly, such delivery or distribution shall not be permitted. Applications to the Tender Offer which violate the above restriction, directly or indirectly, shall not be tendered.

In the event of applying for the Tender Offer, the tendering shareholders (or the standing proxy in case of a foreign shareholders) may be required to attest and commit to the following conditions to the Tender Offer Agent or the Sub-Agent:

The tendering shareholder is not a U.S. resident or located in the United States at the time of the tender nor at the time the application form for the Tender Offer was mailed; the tendering shareholder has not, directly or indirectly, received or sent any information (including a copy of the information) pertaining to the Tender Offer in, directed to, or from within the United States; in engaging the Tender Offer or in signing an application from for the Tender Offer, the tendering shareholder has not, directly or indirectly, used the U.S. postal service or any other means or instrument of interstate or international commerce (including, but not limited to, telephone, telexes, facsimile transmissions, electronic mail and internet communications) or securities exchange facilities in the United States; and the tendering shareholder is not a person acting as an agent or entrustee, without discretion, of another person (except where such other person provides all instructions pertaining to the Tender Offer from outside the United States).

(10) Date of Public Notice

December 16, 2015 (Wednesday)

(11) Tender Offer Agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

kabu.com Securities Co., Ltd.
3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

3. Policies, etc. after Tender Offer and Future Prospects

(1) Policies, etc. subsequent to Tender Offer

With respect to the policies, etc. after the Tender Offer, please refer to "(2) Background, Purposes and Decision-making Process Concerning Tender Offer, and Management Policies Subsequent to the Tender Offer" of "1. Purpose of the Tender Offer".

(2) Future Prospects of Business Performance

The impact of the Tender Offer on the Company's forecast of business performance for the current fiscal year is expected to be minimal.

4. Others

(1) Agreements between Tender Offeror and Target or Its Officers; Terms Thereof

(i) Support for Tender Offer

According to the Target's Announcement, the Target has resolved at its board of directors meeting held on December 15, 2015, to express its agreement to the Tender Offer and to recommend that the Target's shareholders tender their shares of the common stock of the Target in the Tender Offer. The board of directors of the Target has also resolved

that the decision on whether or not to tender the Stock Acquisition Rights in the Tender Offer shall be left to the discretion of each holder of the Stock Acquisition Rights.

For the details of the affirmative opinion and the opinion recommending tender of the Target, please refer to the Target's Announcement and (v) Unanimous Approval by the Target's Disinterested Directors and No Objection from Disinterested Auditors "" of "(3) Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" in "1. Purpose of the Tender Offer".

(ii) Agreement between Tender Offeror and Target

The Tender Offeror and the Target concluded a capital and business alliance agreement as of December 15, 2015. For the summary of this capital and business alliance agreement, please refer to "(6) Details of Material Agreements Concerning Tender Offer" in "1 Purpose of the Tender Offer".

(iii) Agreement between Tender Offeror and Directors of the Target

The Tender Offeror and Mr. Mori, the largest and major shareholder, and President and CEO of the Target, executed a Tender Agreement dated December 15, 2015. For the summary of the Tender Agreement, please refer to "(6) Details of Material Agreements Concerning Tender Offer" in "1 Purpose of the Tender Offer".

(2) Other Information Deemed Necessary for Investors in Evaluating the Tendering of their Shares

The Target resolved at the meeting of the board of directors held on December 15, 2015 to revise its dividend forecast for the fiscal year ending March 2016 and not to distribute year-end dividend of the fiscal year ending March 2016 on the condition that the Tender Offer will be completed. For the details of the resolution, please refer to "Notice on Revision of the Dividend Forecast of the Fiscal Year Ending March 2016" on December 15, 2015.

Disclaimer

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.