



October 22, 2014

To whom it may concern

Yahoo Japan Corporation  
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Stock code: 4689

**Yahoo Japan Corporation Announces Commencement of Tender Offer for Shares of Common Stock and  
Stock Acquisition Rights of Carview Corporation (Stock Code: 2155)**

Yahoo Japan Corporation (the “Tender Offeror” or the “Company”) hereby announces that it resolved at the meeting of the board of directors held on October 22, 2014 to acquire the shares of common stock and the stock acquisition rights of Carview Corporation (Stock code: 2155) (the “Target”), listed on the Mothers market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”), through a tender offer (the “Tender Offer”).

**1. Purpose of Tender Offer**

(1) Overview of Tender Offer

As of this date, the Company holds 6,590,800 shares<sup>(Note)</sup> of the common stock of the Target listed on the Mothers market of the Tokyo Stock Exchange, and the Target is a consolidated subsidiary of the Company. At the meeting of the board of directors of the Company on October 22, 2014, the Company passed a resolution to conduct the Tender Offer as part of a transaction to acquire all of the shares of the common stock of the Target (excluding the shares of the common stock of the Target held by the Company and the treasury stocks held by the Target) and all of the stock acquisition rights which have been issued pursuant to the resolution by the meeting of the board of directors of the Target held on April 25, 2013 (the “Stock Acquisition Rights”) with the aim of making the Target a wholly-owned subsidiary of the Company (the “Transaction”).

(Note) The percentage of the number of shares (i.e., 12,246,160 shares) obtained by deducting the number of treasury stocks as of September 30, 2014 (419,440 shares), described in the Summary of Financial Statements for the Second Quarterly Report of the Fiscal Year Ending March 2015 (Japan GAAP) (Consolidated) disclosed by the Target on October 22, 2014 (the “Summary of Financial Statements of the Target”), from the number of total issued shares of the Target as of September 30, 2014 (12,665,600 shares), described in the Summary of Financial Statements of the Target (the “Ownership Percentage”), is 53.82% (rounded to the second decimal place).

Because the Company aims at making the Target a wholly-owned subsidiary of the Company through the Transaction, the minimum number of shares to be acquired in the Tender Offer is set at 2,067,400 shares<sup>(Note)</sup> so that the Company will hold two-thirds or more of the total voting rights in the Target upon the completion of the Tender Offer. If the aggregate number of the share certificates and other securities tendered through the Tender Offer (the “Tendered Share Certificates”) does not fulfill the minimum number of shares to be acquired, the Company will not purchase any of the Tendered Share Certificates. On the other hand, as the Company has not set the maximum number of shares to be acquired in the Tender Offer, 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) The minimum number of shares to be acquired is obtained by subtracting the number of shares held by

the Company as of this date (i.e., 6,590,800 shares) from 8,658,200 shares, which is obtained by adding the number of shares of the common stock of the Target (i.e., 494,000 shares), which are the object of the stock acquisition rights (2,470 units) as of May 31, 2014 as set forth in the 18th Business Period Annual Securities Report filed by the Target on June 19, 2014, to 8,164,200 shares, which is obtained by rounding up the shares less than one (1) unit (100 shares) with respect to 8,164,106 shares, that corresponds to two-thirds (2/3) of such number of the shares as obtained by subtracting the number of treasury stocks held by the Target as of September 30, 2014 (i.e., 419,440 shares), as set forth in the Summary of Financial Statements of the Target from the number of the total issued shares of the Target as of September 30, 2014 (i.e., 12,665,600 shares), as set forth in the Summary of Financial Statements of the Target (i.e., 12,246,160 shares).

If the Company does not acquire all of the shares of the common stock of the Target (excluding the shares of the common stock of the Target held by the Company and the treasury stocks held by the Target) through the Tender Offer, the Company will request the Target to implement each of the procedures set forth in “(4) Plan for Reorganization after Tender Offer (Matters Relating to Two-Step Takeover)” and make the Target the wholly-owned subsidiary of the Company.

Upon being informed of the Tender Offer, Microsoft Corporation (“Microsoft”) notified the Company that Microsoft intended to tender all of the shares of the common stock of the Target held directly or indirectly by Microsoft<sup>(Note 1)</sup> in the Tender Offer, and the Company believes that, unless there are exceptional circumstances<sup>(Note 2)</sup>, Microsoft will tender its shares in the Tender Offer.

(Note 1) According to Microsoft, it directly or indirectly holds 2,718,400 shares of the common stock of the Target (i.e., 22.20% of the Ownership Percentage).

(Note 2) The relevant notification states, as to reserved matters, that, irrespective of its intention expressed as above, Microsoft may withdraw the tendering in case of any changes to the situation of the Tender Offer, such as (a) the case where any changes occur to the conditions of the Tender Offer, (b) the case where any third party conducts the competing tender offer with the tender offer price per share exceeding the tender offer price per share of the common stock of the Target for the Tender Offer (the “Tender Offer Price”), or (c) the meeting of the board of directors of the Target releases a resolution not to support the Tender Offer.

According to the announcement titled “Announcement Regarding Implementation of the Tender Offer by Yahoo Japan Corporation, our Controlling Shareholder, for the Shares of Carview Corporation and Recommendation to Tender Shares” (the “Target’s Announcement”) released by the Target on October 22, 2014, at the meeting of the board of directors of the Target held on October 22, 2014, the Target passed a resolution on the following: (i) to state an opinion supporting the Tender Offer, and (ii) to recommend that the Target’s shareholders and the holders of the stock acquisition rights tender their shares and stock acquisition rights in the Tender Offer.

For the details of the resolution of the board of directors of the Target, please refer to “(e) Unanimous Approval by the Target’s Disinterested Directors and Corporate Auditors” under “(ii) Process of Calculation” of “(4) Basis of Calculation, etc. of Tender Offer Price” in “2. Outline of Tender Offer, etc.” below.

(2) Background, Purposes and Decision-making Process in Reaching the Decision of Conducting the Tender Offer, and Management Policies Subsequent to Tender Offer

The Company was jointly established in January 1996 between SoftBank Corp. (“SoftBank”), the parent company of the Company, and Yahoo! Inc. (“Yahoo! Inc.”), for the purpose of providing information search services in Japan that Yahoo! Inc. had thus far provided on the Internet.

Currently, the Company provides (i) e-commerce related services, including “YAHUOKU!,” which is one of the largest Internet auction sites in Japan, and “Yahoo! Shopping,” and (ii) advertisement-related services,

including paid search advertising and display advertising, with the aim at being the “No. 1 gross amount of e-commerce transaction value in Japan by 201X.” Additionally, under its slogan of “Reuse Japan,” the Company aims for the realization of Japan as a reuse society, and, through “YAHUOKU!,” the Company provides the structure through which everyone can easily enjoy the reuse of goods. The Company has fulfilled a certain role therein so far.

On the other hand, having started with the commencement of the general automobile site “carview.co.jp (formerly carpoint.ne.jp)” (advertising business) on the Internet in 1999, the Target has since successively released the following services: (i) the intermediate services for package assessment for purchases of automobiles (domestic business), (ii) “tradecarview,” the largest marketplace in Japan for the exportation of used cars (foreign business), and (iii) “Minkara,” the unique SNS service specialized for automobile users (SNS business). Currently, the Target is providing the automobile-related services on the Internet through these four (4) services, which a large number of customers are using.

While the Company was providing the automobile information services by itself until December 2012, the Company acquired 32,954 shares<sup>(Note 1)</sup> of the common stock of the Target for 2,998 million yen<sup>(Note 2)</sup> from SoftBank, through the off-market transaction on December 17, 2012, and made the Target a consolidated subsidiary of the Company for the purpose of achievement of obtaining the overwhelming market share of the automobile information services. In June, 2013, “Yahoo! Autos,” managed by the Company, and “carview.co.jp (formerly carpoint.ne.jp),” managed by the Target, respectively, were integrated and renewed as “carview!,” which is operated under Yahoo! JAPAN. For clarification purposes, although the Company has not acquired any additional share certificates and other securities of the Target on and after December 17, 2012, the number of shares of the common stock of the Target held by the Company is 6,590,800 shares due to the stock split at the ratio of 200 shares to 1 share of common stock which was conducted by the Target as of October 1, 2013.

(Note 1) The percentage of the number of total issued shares of the Target as of September 30, 2012 (i.e., 63,170 shares) described in the 17th Business Period Second Quarterly Report filed by the Target on November 9, 2012, is 52.17% (rounded to the second decimal place).

(Note 2) The purchase price per share of the common stock is 91,000 yen. The purchase price after taking into consideration the above stock split is 455 yen.

The measures, such as the integration of the automobile information services by the Company and the Target into “carview!,” have created a synergy effect through cooperation in the advertising business and the SNS business of the Target. On the other hand, no cooperation has been promoted so far, with respect to the foreign business and the domestic business. With respect to the foreign business (net sales for the said segment for the fiscal year ending March 2014: 1,604 million yen), which accounts for 42% of the net sales of the Target (consolidated net sales for the fiscal year ending March 2014: 3,858 million yen), although the earning capacity has steadily grown, the slowdown of the growth of the net sales<sup>(Note 1)</sup> is a concern for the Target. With respect to the domestic business (net sales for the said segment: 1,026 million yen), which accounts for 27% of the said net sales, although the business results deteriorated drastically in the year before last, business structural reforms from the last year resulted in increases in sales and profits<sup>(Note 2)</sup> this year. Under such circumstances, the Target recognizes that the creation of a new business platform is necessary for further business growth over the medium to long term.

(Note 1) The growth rate of net sales from the fiscal year ending March 2012 to the fiscal year ending March 2013 is 35%, and the growth rate of net sales from the fiscal year ending March 2013 to the fiscal year ending March 2014 is 10%. For clarification purposes, as the method of measurement of profits and losses of each business segment changed in the fiscal year ending March 2014, the former growth rate was based on the old method of measurement and the latter growth rate was based on the new method of measurement.

(Note 2) With respect to the second quarter of the fiscal year ending March 2014, the segment net sales is 488 million yen and the segment profits is 58 million yen. With respect to the second quarter of the fiscal year ending March 2015, the segment net sales is 526 million yen and the segment profits is 106 million yen.

The used car market is an enormous reuse market, which market scale is 2.5 trillion yen. Therefore, the Company considers that there is a good chance of acquiring a large share of the used car market through transaction structure reforms, and that the focus should be kept on that field. Also, in connection with the aiming at being the No. 1 gross amount of e-commerce transaction value in Japan by the group as a whole, the Company considers that the acquisition of the market share by the group as a whole should be realized, through utilization of the automobile media business and the overseas commerce business held by the Target. On the other hand, although prompt and bold decision-making is required for internet businesses, in rapidly changing business environment, under the current shareholder composition of the Target, the decision-making takes time, due to the necessity to consider the interests of many stakeholders, including the shareholders other than the Company. Furthermore, because the maintenance of the short term profit level is emphasized, it would be difficult to realize agile business management, drastic reformation of structure based on the medium to long term perspective and bold strategies.

Under such circumstances, the Company and the Target had considered various possibilities of strategies on automobile-related services business of the Company group, and following the late September 2014 proposal from the Company, the Company appointed Nomura Securities Co., Ltd. (“Nomura Securities”) as a financial advisor of the Company and as a third-party valuation institution that is independent from the Company and the Target and appointed Nagashima Ohno & Tsunematsu as a legal advisor. The Target appointed AGS Consulting Co., Ltd. (“AGS Consulting”) as a financial advisor of the Company and as a third-party valuation institution that is independent from the Company and the Target and appointed City-Yuwa Partners as a legal advisor. The Company and the Target discussed and considered several times for the purpose of further improving the corporate value of both companies.

As a result, the Company and the Target reached the conclusion that, by forming a unified management of the Target and the Company, it will be possible to do the following: (i) to form a structure under which prompt decision-making is possible, (ii) to enhance the earnings base of the Target based on a medium to long term perspective, and not focus on only short-term earnings, and (iii) to consolidate the business functions of the Company group so that the Target could achieve business synergies as a leading company for automobile-related services business of the Company group, and (iv) to eventually realize bold strategies. Accordingly, the Company and the Target reached the decision that making the Target a wholly-owned subsidiary of the Company through the Tender Offer is essential. In particular, the following effects are expected through making the Target a wholly-owned subsidiary of the Company, and it is believed that a further enhancement of the earnings base and the improvement of the corporate value of the Company group, including the Target, will be possible as a result.

- (a) The Company group can achieve enhancement of the Target’s customer base by forwarding the customers from “YAHUOKU!” to the Target’s services.
- (b) The Company group can improve the asset value of the Target, through the active utilization of the Target’s existing asset for “YAHUOKU!,” such as offering various automobile-related information of the Target’s services to the purchasers in “YAHUOKU!.” Additionally, through the Target’s services and the efforts at “YAHUOKU!,” it will be possible to create a new business platform, and this will create business growth opportunities over the medium to long term.
- (c) The Company group will achieve business developments through utilizing not only the management assets of the Target, but also the management assets of the Company, by publishing on “tradecarview” the information about used cars offered on “YAHUOKU!”
- (d) The Company group can promptly conduct bold decision-making towards the creation of new business. Consequently, the Company group, including the Target, will acquire the bigger share of the used car trading market, and therefore, enhancing the possibility that the Company group will obtain the position as the No. 1 gross amount of e-commerce transaction value in Japan.

Although the Company's strategy and future business strategy concerning the Target's business after making the Target a wholly-owned subsidiary will be determined upon negotiation between the Target and the Company, the Company will continue management by taking full advantage of the characteristics of the Target's business and the strengths of the Target, and will fortify the Target's business, after making the Target a wholly-owned subsidiary. Further, with respect to the management structure including the officer composition of the Target after it is made a wholly-owned subsidiary, the most appropriate structure will be considered with a view to the realization of a business synergy between the Company and the Target.

Meanwhile, according to the Target's Announcement, the decision-making process and background leading to the Target's opinion supporting the Tender Offer is as follows.

As set forth in "(5) Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest," below, the Target, following the above proposal from the Company concerning the Transaction, including the Tender Offer, in order to ensure fairness of the Transaction, including the Tender Offer, such as fairness of the Tender Offer Price, appointed City-Yuwa Partners as its legal advisor and AGS Consulting as its financial advisor, and, on September 22, 2014, also established a third-party committee as an advisory body to the Target in order to consider the proposals concerning the Transaction. The Target has repeatedly discussed and considered the purpose of the Transaction, the management structure and policy following the Transaction, as well as the terms and conditions of the Transaction, etc., with the Company and Nomura Securities, a financial advisor of the Company. In addition, with respect to the Tender Offer Price, the Target, after receiving the proposal concerning the tender offer price from the Company, received a draft of the share valuation report concerning the shares of common stock of the Target dated October 17, 2014, and a final version of the share valuation report dated October 21, 2014 (the "Target's Valuation Report"), from AGS Consulting, a third-party valuation institution that is independent from the Target. The Target also received advice on the share value of the Target from AGS Consulting, and advanced its consideration in accordance with the results of the consideration by the third-party committee. The Target requested the Company to reconsider the tender offer price, and consequently, the Target received a final proposal from the Company, which provided that the tender offer price would be 863 yen per share. Thus, the Target has continuously negotiated the tender offer price with the Company and Nomura Securities, a financial advisor of the Company.

The board of directors of the Target received from City-Yuwa Partners, as its legal advisor, legal advice concerning the points of attention in relation to the decision making concerning the Transaction, including the Tender Offer, such as the decision making process and decision making method concerning the Transaction, including the Tender Offer, and also received a report dated October 21, 2014 submitted by the third-party committee (the "Report"). (For the outline of the Report and the specific content of the activities of the third-party committee, please refer to "(c) Establishment of a third-party committee by the Target" under "(ii) Process of Calculation" of "(4) Basis of Calculation, etc. of Tender Offer Price" in "2. Outline of Tender Offer, etc." below.) The board of directors of the Target, in light of the legal advice it received from City-Yuwa Partners, as its legal advisor, as well as the Target's Valuation Report it received from AGS Consulting, as its financial advisor and the advice from AGS Consulting, carefully discussed and considered the terms and conditions of the Tender Offer from the perspective of enhancing the corporate value, according maximum respect to the content of the Report submitted by the third-party committee.

As a result, for the reasons that (i) the collaboration with YAHUOKU! will enable construction of a new business platform and the obtainment of business growth opportunities over the medium to long term, (ii) the unified management with the Company after becoming a wholly-owned subsidiary of the Company will enable the promotion of rapid decision-making, and (iii) a reduction in the burden of the costs for maintaining a listing, etc. is expected, the Target arrived at the conclusion that aiming at the growth of both Company and Target as a core subsidiary within the automotive area of the Company group and, for that purpose, further strengthening the unified management between the Company and the Target is beneficial for the enhancement of the corporate value not only of the Target but also of the whole Company group of which the Target is a part, and decided to express the opinion to support the Tender Offer.

Further, in light of the fact that the Tender Offer Price (a), according to the valuation results of the share value of the Target's common stock provided by AGS Consulting set forth in "(b) Procurement by the Target of a Share Valuation Report from an Independent Third-Party Valuation Institution" of "(ii) Process of Calculation," of "(4) Basis of Calculation, etc. of Tender Offer Price" in "2. Outline of Tender Offer, etc." below, exceeds the upper limit of the valuation results under a market price analysis and is also within the ranges of the valuation results under a comparable company analysis and a discounted cash flow analysis (the "DCF Analysis"); (b) is considered to be within reasonable bounds with the following premiums: about 30.4% (rounded to the first decimal place) on 662 yen, which is the closing price of the Target's common stock on the Mothers market of the Tokyo Stock Exchange on October 21, 2014, the business day immediately prior to the announcement of the Tender Offer; about 35.3% (rounded to the first decimal place) on 638 yen, which is the simple average closing stock price for the last one month from October 21, 2014; about 34.4% (rounded to the first decimal place) on 642 yen, which is the simple average closing stock price for the last three months from October 21, 2014 and about 39.0% (rounded to the first decimal place) on 621 yen, which is the simple average closing price for the last six months from October 21, 2014; (c) is recognized to take into consideration the benefit to the minority shareholders, such as the measures taken to dissolve conflicts of interest set forth in "(5) Measures to Ensure Fairness of Tender Offer Including Those to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below; and (d) is a price determined upon several instances of discussion and negotiation between the Target and the Company equivalent to the discussion and negotiation under an arm's length transaction after taking measures to dissolve conflicts of interest described above, the Target determined that the Tender Offer would provide to the shareholders of the Target an opportunity to sell their shares at prices with a considerable premium. (For details of the process of determination, please refer to "(i) Basis of Calculation" and "(ii) Process of Calculation" of "(4) Basis of Calculation, etc. of Tender Offer Price" in "2. Outline of Tender Offer, etc." below.)

As the Target needs to conduct a unified management with the Company promptly after the completion of the Tender Offer, the Company and the Target entered into a Letter of Intent concerning Business Alliance dated October 22, 2014 (the "LOI"). For an outline of the LOI, please refer to "(3) Details of Material Agreements Concerning Tender Offer," below.

### (3) Details of Material Agreements Concerning Tender Offer

The Company entered into the LOI with the Target, dated October 22, 2014, and the main items provided for in the LOI as the roles of the Company and the Target in the business alliance between them are as follows:

- (a) The Company will contribute to the enhancement of the Target's customer base by forwarding customers from the website operated by the Company to the services provided by the Target.
- (b) The Target will contribute to the improvement of customer satisfaction in respect of the Company by offering automobile-related information or SNS services owned by the Target to the Company's customers.
- (c) Improvement and enhancement of the transaction environment in the used car sales market will be promoted by causing the information regarding used cars published on the auction market operated by the Company to be also exhibited on the used car export market place operated by the Target.

After the completion of the Tender Offer, the Company and the Target plan to separately enter into a business alliance agreement that provides for the details of the business alliance and specific matters for implementation by both parties, etc., which is conditional on the completion of the Tender Offer.

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

As stated in "(1) Overview of Tender Offer" above, the Company plans to acquire all of the shares of the common stock of the Target (excluding the shares of the common stock of the Target held by the Company and the treasury stocks held by the Target), and if the Company fails to acquire all of the issued shares of the

common stock of the Target (excluding the shares of the common stock of the Target held by the Company and the treasury stocks held by the Target) through the Tender Offer, the Company plans to acquire all of the shares of the common stock of the Target (excluding the shares of the common stock of the Target held by the Company and the treasury stocks held by the Target) by following the steps described below.

In particular, after the Tender Offer is completed, the Company plans to request that the Target hold an extraordinary general meeting of shareholders at which the matters set forth in the following (i) through (iii) shall be proposed as a part of the agenda of the meeting (the “Extraordinary General Meeting of Shareholders”); (i) transform the Target itself into a company issuing class shares (*shurui kabushiki hakkou kaisha*) as provided for in the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same shall apply) by partially amending the Articles of Incorporation of the Target so that the Target is authorized to issue shares of a class other than the common stock, (ii) partially amend the Articles of Incorporation of the Target so that all of the shares of the common stock of the Target shall be subject to wholly call clause (as prescribed in Article 108, Paragraph 1, Item 7 of the Companies Act; hereinafter the same shall apply), and (iii) acquire all of the shares of the common stock of the Target (excluding the treasury stocks held by the Target) and deliver the shares of another class of the Target in exchange for such shares of the common stock.

In addition, regarding the implementation of these steps, as the Target will be a company issuing class shares as provided for in the Companies Act after the approval of the above-mentioned agenda item (i) of the meeting at the Extraordinary General Meeting of Shareholders, the partial amendment of the Articles of Incorporation in the above-mentioned agenda item (ii) requires, pursuant to Article 111, Paragraph 2, Item 1 of the Companies Act, a resolution at the general meeting of holders of class shares, the members of which are the holders of the shares of the common stock of the Target which will contain the wholly call clause (the “General Meeting of Holders of Class Shares”) in addition to the resolution at the Extraordinary General Meeting of Shareholders. As such, the Company plans to request that the Target hold the General Meeting of Holders of Class Shares, at which the partial amendment of the Articles of Incorporation in the above-mentioned agenda item (ii) shall be proposed as a part of the agenda of the meeting, on the date the Extraordinary General Meeting of Shareholders is held. The Company plans to approve each of the aforementioned agenda items at the Extraordinary General Meeting of Shareholders and at the General Meeting of Holders of Class Shares.

If the aforementioned steps are implemented, all of the share of the common stock of the Target (excluding the treasury stocks held by the Target) will, after being made subject to the wholly call clause, be acquired by the Target, and the shareholders of the Target will receive the shares of another class of the Target in exchange for such shares of the common stock. If, as a result, the shareholders of the Target would receive a fraction of less than one share of such another class, such shareholders will, pursuant to the procedures provided for in Article 234 of the Companies Act and other applicable laws and regulations, receive cash in an amount obtained through a sale of the shares of such another class equivalent to the total number of such less-than-one- shares (fractions of the total of such less-than-one shares shall be rounded down; hereinafter the same shall apply) to the Company.

The amount of cash to be distributed to each shareholder as a result of the sale of such shares of another class equivalent to the total number of such less-than-one shares will be calculated to be equivalent to a price obtained by multiplying (a) the Tender Offer Price by (b) the number of shares of the common stock of the Target held by each such shareholder. The class and the number of shares of the Target to be allotted in exchange for the acquisition of the common stock subject to wholly call clause are not determined as of this date; however, in order for the Company to hold all of the issued shares of the Target, such number of shares shall be determined so that the number of shares of the Target to be allotted to the shareholders of the Target who do not tender their shares in the Tender Offer (excluding the Company) will be a fraction of less than one share.

With respect to the above-described method, depending on the interpretation of the applicable laws and regulations by the relevant authority and the status of the holding of the shares by the Company after the Tender Offer as well as the status of the holding of the shares of the common stock of the Target by the

Target's shareholders other than the Company and other factors, it may require some time to follow the above described method, or the Company may change such steps to another method that would generate comparable effects; however, even in such case, for the shareholders of the Target who do not tender their shares in the Tender Offer, the method of delivering cash will be adopted, and the amount of cash to be finally distributed to each shareholder of the Target will be calculated to be equivalent to a price obtained by multiplying (a) the Tender Offer Price by (b) the number of shares of the common stock of the Target held by each such shareholder. The specific procedures, timing and other matters regarding the Extraordinary General Meeting of Shareholders and the General Meeting of Holders of Class Shares in the above-mentioned cases will be announced promptly after the determination thereof.

The Companies Act sets forth the following measures to protect the interests of minority shareholders in connection with the procedures described above: (a) if the Articles of Incorporation is amended to subject the shares of the common stock to wholly call clause as set forth in (ii) above, the shareholders may request the Target to purchase the shares held by such shareholders pursuant to Articles 116 and 117 of the Companies Act and other related laws and regulations; and (b) if the proposal regarding the acquisition of all of the shares of the common stock of the Target subject to wholly call clause as set forth in (iii) above is approved at the Extraordinary General Meeting of Shareholders, the shareholders may file a petition with a court to determine the price for the acquisition pursuant to Article 172 of the Companies Act and other related laws and regulations. The court will ultimately determine the exercise price or acquisition price per share in these cases (a) and (b). If the wholly call clause of the shares of the common stock comes into effect, the shareholders may be deemed not to be eligible to file a petition with the court to determine the price for the purchase pursuant to Article 117, Paragraph 2 of the Companies Act.

The Tender Offer is not in any way intended to solicit the approval of each shareholder of the Target at the Extraordinary General Meeting of Shareholders and the General Meeting of Holders of Class Shares. Please consult your own tax advisors concerning the tax treatment as to cases such as the case where you receive cash or cash equivalents through the Tender Offer or the procedures described above, and the case where your shares are purchased pursuant to your request for purchase of the shares.

With respect to the Stock Acquisition Rights, if, even after the completion of the Tender Offer, the Tender Offeror fails to acquire all of the Stock Acquisition Rights through the Tender Offer, the Tender Offeror will cause the Target to implement procedures reasonably necessary for the performance of the Transaction, such as suggesting that the holders of the Stock Acquisition Rights waive said Stock Acquisition Rights.

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

Since the Target is a consolidated subsidiary of the Company as of this date, anticipating the possibility of having any effect on the minority shareholders, the Company and the Target have implemented the following measures in order to ensure the fairness of the Tender Offer, including those to ensure the fairness of the Tender Offer Price and to avoid any conflicts of interest.

- (a) Procurement by the Company of a Share Valuation Report from an Independent Third-Party Valuation Institution
- (b) Procurement by the Target of a Share Valuation Report from an Independent Third-Party Valuation Institution
- (c) Establishment of a third-party committee by the Target
- (d) Advice from Target's Independent Law Firm
- (e) Unanimous Approval by the Target's Disinterested Directors and Corporate Auditors
- (f) Measures to Secure an Opportunity for Others to Make any Competing Offers

For the details of the items above, please refer to of "(i) Basis of Calculation" and "(ii) Process of Calculation" of "(4) Basis of Calculation, etc. of Tender Offer Price" in "2. Outline of Tender, Offer etc."

below.

(6) Prospects of, and Reasons for, Delisting

As of this date, the shares of the common stock of the Target are listed on the Mothers market 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 a cap on the number of share certificates and other securities 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 common stock of the Target will finally 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 of the shares of the common stock of the Target, as stated in “(4) Plan for Reorganization after Tender Offer (Matters Relating to Two-Step Takeover)” above. After the delisting, it will be impossible to trade the shares of the common stock of the Target on the Mothers market of the Tokyo Stock Exchange.

**2. Outline of Tender Offer, etc.**

(1) Outline of Target

|  |  |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
|--|--|--|-------------------------|-------|--|-------|--|------|----------------|------|-----------------|------|------------------------------------|------|----------------|------|---|--|
| (i)  | Corporate Name   | Carview Corporation  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| (ii)   | Head Office  | 1-8-10, Harumi, Chuo-ku, Tokyo   |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| (iii)  | Name and Title of Representative                                 | President, Representative Director<br>Yutaka Hyodo   |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| (iv)   | Description of Business  | Operation of automobile-related websites and provision of various services   |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| (v)  | Paid-in Capital  | 1,577 million yen (as of September 30, 2014)   |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| (vi)   | Date Established   | September 5, 1996  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| (vii)  | Major Shareholders and Shareholding Ratio (as of March 31, 2014) | <table border="0"> <tr> <td>Yahoo Japan Corporation</td> <td>52.0%</td> </tr> <tr> <td>Northern Trust Company (AVFC) Sub-account American Client (Standing proxy agent: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)</td> <td>21.5%</td> </tr> <tr> <td>RBC IST OMNIBUS 15.315 PCT NON LENDING ACCOUNT (Standing proxy agent: Citibank Japan Ltd.)</td> <td>3.5%</td> </tr> <tr> <td>Saburo Kikuchi</td> <td>2.6%</td> </tr> <tr> <td>Motoi Matsumoto</td> <td>1.3%</td> </tr> <tr> <td>JAPAN SECURITIES FINANCE CO., LTD.</td> <td>0.6%</td> </tr> <tr> <td>Shoichi Kaneko</td> <td>0.5%</td> </tr> <tr> <td>The Bank of New York - Jasdec Non-treaty Account (Standing proxy agent:</td> <td></td> </tr> </table> | Yahoo Japan Corporation | 52.0% | Northern Trust Company (AVFC) Sub-account American Client (Standing proxy agent: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch) | 21.5% | RBC IST OMNIBUS 15.315 PCT NON LENDING ACCOUNT (Standing proxy agent: Citibank Japan Ltd.) | 3.5% | Saburo Kikuchi | 2.6% | Motoi Matsumoto | 1.3% | JAPAN SECURITIES FINANCE CO., LTD. | 0.6% | Shoichi Kaneko | 0.5% | The Bank of New York - Jasdec Non-treaty Account (Standing proxy agent: |  |
| Yahoo Japan Corporation  | 52.0%  |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| Northern Trust Company (AVFC) Sub-account American Client (Standing proxy agent: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch) | 21.5%  |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| RBC IST OMNIBUS 15.315 PCT NON LENDING ACCOUNT (Standing proxy agent: Citibank Japan Ltd.)   | 3.5%   |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| Saburo Kikuchi   | 2.6%   |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| Motoi Matsumoto  | 1.3%   |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| JAPAN SECURITIES FINANCE CO., LTD.   | 0.6%   |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| Shoichi Kaneko   | 0.5%   |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |
| The Bank of New York - Jasdec Non-treaty Account (Standing proxy agent:  |  |  |                         |       |  |       |  |      |                |      |                 |      |                                    |      |                |      |   |  |

|  |  |
|--|--|
|  | Mizuho Bank, Ltd., Settlement Sales Department) 0.5%   |
|  | BNYM SA/NV BNYM Client Account MPCs Japan (Standing proxy agent:<br>The Bank of Tokyo-Mitsubishi UFJ, Ltd.) 0.4%   |
|  | Japan Trustee Services Bank, Ltd. (Trustee account) 0.4%   |
| (viii) Relationships between the Company and the Target: |  |
| Capital Relationship                                     | The Company holds 6,590,800 shares which is equivalent to 52.0% of the total number of issued shares (12,665,600 shares) of the Target as of this date.  |
| Personnel Relationship                                   | Two employees of the Company hold additional posts as directors of the Target and one of the corporate auditors of the Company holds additional post as corporate auditor of the Target as of March 31, 2014. 15 employees of the Company are seconded to the Target as of March 31, 2014. |
| Transaction Relationship                                 | The Company provides the Target with advertising services, including paid search advertising.  |
| Status as a Related Party                                | The Target is a consolidated subsidiary of the Company and is a related party of the Company.  |

(2) Schedule and Other Matters

(i) Schedule

|   |   |
|---|---|
| Resolution of Board of Directors                      | October 22, 2014 (Wednesday)  |
| Date of Public Notice of Commencement of Tender Offer | October 23, 2014 (Thursday)   |
| Newspaper Listing Public Notice                       | Public notice will be made electronically and a notice thereof will be published in The Nihon Keizai Shimbun.<br>URL of electronic disclosure:<br>( <a href="http://disclosure.edinet-fsa.go.jp">http://disclosure.edinet-fsa.go.jp</a> ) |
| Filing Date of Tender Offer Registration Statement    | October 23, 2014 (Thursday)   |

(ii) Tender Offer Period as of Filing Date

From October 23, 2014 (Thursday) through December 8, 2014 (Monday) (thirty one business days)

(iii) Possibility of Extension Pursuant to Request by Target

Not applicable.

(3) Tender Offer Price

- (i) Common Stock 863 yen per share
- (ii) Stock Acquisition Rights 57,600 yen per unit

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

(i) Basis of Calculation

(a) Common Stock

In order to ensure the fairness of the Tender Offer Price, the Company requested Nomura Securities, a financial advisor of the Company and a third-party valuation institution that is independent from the Company and the Target, to perform a valuation of the shares of the Target in determining the Tender Offer Price. Nomura Securities is not a related party of the Company or the Target and does not have any material interest in the Transaction including the Tender Offer.

Nomura Securities conducted a valuation of the shares of the Target using each of an average market price analysis and a DCF Analysis and the Company obtained a share valuation report (the "Valuation Report") concerning the results of the share valuation of the Target shares from Nomura Securities on October 22, 2014. The Company has not obtained any opinion on the fairness of the Tender Offer Price (a fairness opinion) from Nomura Securities.

The per share value ranges of the common stock of the Target calculated by each of the above analyses are as follows:

Average market price analysis: 621 yen to 662 yen  
DCF Analysis: 787 yen to 971 yen

With respect to the average market price analysis, the base date was set as October 21, 2014 and the valuation per share of the Target was made based upon the closing price of the Target's common stock on the Mothers market of the Tokyo Stock Exchange on the base date (662 yen), as well as the simple average closing prices of the last one week, one month, three months and six months immediately prior to the base date (656 yen, 638 yen, 642 yen and 621 yen, respectively). Under the average market price analysis, the price range for the value per share of the Target's common stock was derived to be 621 yen to 662 yen.

In the DCF Analysis, the free cash flow that the Target is expected to generate in the future based on the earnings forecast in or after the fiscal year ending March 2015 (taking into consideration various factors including business plans confirmed by the Company, up-to-date trends of the Target's business performance, interviews with the Target's management and publicly disclosed information) was discounted to the present value using a certain discount rate, in order to analyze the Target's corporate value and share value. Under the DCF Analysis, the price range for the value per share of the Target's common stock was derived to be 787 yen to 971 yen.

The business plans of the Target used in the DCF Analysis include a fiscal year(s) with a substantial increase in profits compared to the immediately preceding fiscal year. This is mainly due to the expectation of increase in revenue and profit resulting from an increase in transactions in overseas business.

Referring to the valuation results of each analysis described in the Valuation Report obtained from Nomura Securities on October 22, 2014, the Company made a comprehensive review of, among other factors, the actual examples of premiums granted in determining the tender offer price in preceding tender offers for share certificates and other securities by parties other than the issuer, which is similar to the Tender Offer, the possibility of obtaining the Target's opinion in support of the Tender Offer by a meeting of the board of

directors of the Company, the trends in the market price of the Target's common stock for the past six months and the number of shares expected to be tendered in the Tender Offer and the Company took into consideration the progress of the discussions and negotiations with the Target. As a result, the Tender Offer Price was finally determined to be 863 yen at the meeting of the board of directors of the Company held on October 22, 2014.

The Tender Offer Price of 863 yen represents premiums of 30.4% (rounded to the first decimal place; the same shall apply hereinafter regarding the figures for the premiums for the following market prices) on 662 yen, which is the closing price of the Target's common stock on the Mothers market of the Tokyo Stock Exchange on October 21, 2014, the business day immediately prior to the announcement of the Tender Offer; 35.3% on 638 yen, which is the simple average closing price for the last one month up to October 21, 2014; 34.4% on 642 yen, which is the simple average closing price for the last three months up to October 21, 2014; and 39.0% on 621 yen, which is the simple average closing price for the last six months up to October 21, 2014.

#### (b) Stock Acquisition Rights

The Stock Acquisition Rights were issued as stock options given to the directors and employees of the Target (including employees seconded to the Target from the Company). In the terms and conditions of the Stock Acquisition Rights, it is provided that the transfer of the Stock Acquisition Rights (including the case where the Stock Acquisition Rights are sold through the Tender Offer) by holders of the Stock Acquisition Rights requires an approval by a resolution of the board of directors of the Target, and as conditions for the exercise of the Stock Acquisition Rights, it is provided that only the officers or employees of the Target or affiliates of the Target may exercise the Stock Acquisition Rights, and that the Stock Acquisition Rights may be exercised only when the total amount of operating income in the fiscal year ending March 2014 and the fiscal year ending March 2015 exceeds a certain level stipulated in such terms and conditions. Furthermore, in each of the allocation agreements concerning the Stock Acquisition Rights, notwithstanding the provisions of the terms and conditions of the Stock Acquisition Right, it is provided that the transfer of the Stock Acquisition Rights is prohibited. However, at the meeting of the board of directors of the Target held on October 22, 2014, it was resolved to approve any transfer of the Stock Acquisition Rights to the Tender Offeror. In addition, the exercise period of the Stock Acquisition Rights will not begin until the end of the Tender Offer Period. However, upon carefully considering the forecast of the operating income of the Target, since (i) the Tender Offer Price exceeds the exercise price of the Stock Acquisition Rights per share of the common shares (575 yen), and (ii) the exercise period will begin on July 1, 2015, which is close to the end of the Tender Offer Period, the Company determined the purchase price of the Stock Acquisition Rights of the Target to be 57,600 yen, obtained by multiplying the difference (288 yen) between 863 yen (which is the Tender Offer Price) and 575 yen (which is the exercise price of the Stock Acquisition Rights per share of the common shares) by 200 (which is the number of the common shares which are the object of one unit of the Stock Acquisition Rights).

#### (ii) Process of Calculation

##### (Decision-making Process Concerning Tender Offer Price)

Taking opportunity of the late September 2014 proposal from the Company, the Company appointed Nomura Securities as a financial advisor of the Company and as a third-party valuation institution that is independent from the Company and the Target and appointed Nagashima Ohno & Tsunematsu as a legal advisor. The Target appointed AGS Consulting as a financial advisor of the Company and as a third-party valuation institution that is independent from the Company and the Target and appointed City-Yuwa Partners as a legal advisor. The Company and the Target discussed and considered several times for the purpose of further improving the corporate value of both companies.

As a result, the Company and the Target reached the decision that making the Target a wholly-owned subsidiary of the Company through the Tender Offer is essential. As such, by the determination of the meeting of the board of directors of the Company held on October 22, 2014, the Company decided to conduct the Tender Offer for making the Target a wholly-owned subsidiary and determined the Tender Offer Price based on the following backgrounds.

(a) Hearing from Third Party Concerning Calculation

In order to ensure the fairness of the Tender Offer Price, the Company requested Nomura Securities, a financial advisor of the Company and a third-party valuation institution that is independent from the Company and the Target, to perform a valuation of the shares of the Target in determining the Tender Offer Price. Nomura Securities is not a related party of the Company or the Target and does not have any material interest in the Transaction including the Tender Offer.

Nomura Securities conducted a valuation of the shares of the Target using each of an average market price analysis and a DCF Analysis and the Company obtained the Valuation Report concerning the results of the share valuation of the Target shares from Nomura Securities on October 22, 2014. The Company has not obtained any opinion on the fairness of the Tender Offer Price (a fairness opinion) from Nomura Securities.

(b) Outline of Valuation

The per share value ranges of the common stock of the Target calculated by each of the above analyses are as follows:

Average market price analysis: 621 yen to 662 yen

DCF Analysis: 787 yen to 971 yen

(c) Decision-making Process Concerning Tender Offer Price

Referring to the valuation results of each analysis described in the Valuation Report obtained from Nomura Securities on October 22, 2014, the Company made a comprehensive review of, among other factors, the actual examples of premiums granted in determining the tender offer price in preceding tender offers for share certificates and other securities by parties other than the issuer, which is similar to the Tender Offer, the possibility of obtaining the Target's opinion in support of the Tender Offer by a meeting of the board of directors of the Company, the trends in the market price of the Target's common stock for the past six months and the number of shares expected to be tendered in the Tender Offer and the Company took into consideration the progress of the discussions and negotiations with the Target. As a result, the Tender Offer Price was finally determined to be 863 yen at the meeting of the board of directors of the Company held on October 22, 2014.

On the other hand, the Stock Acquisition Rights were issued as stock options given to the directors and employees of the Target (including employees seconded to the Target from the Company). In the terms and conditions of the Stock Acquisition Rights, it is provided that the transfer of the Stock Acquisition Rights (including the case where the Stock Acquisition Rights are sold through the Tender Offer) by holders of the Stock Acquisition Rights requires an approval by a resolution of the board of directors of the Target, and as conditions for the exercise of the Stock Acquisition Rights, it is provided that only the officers or employees of the Target or affiliates of the Target may exercise the Stock Acquisition Rights, and that the Stock Acquisition Rights may be exercised only when the total amount of operating income in the fiscal year ending March 2014 and the fiscal year ending March 2015 exceeds a certain level stipulated in such terms and conditions. Furthermore, in each of the allocation agreements concerning the Stock Acquisition Rights, notwithstanding the provisions of the terms and conditions of the Stock Acquisition Right, it is provided that the transfer of the Stock Acquisition Rights is prohibited. However, at the meeting of the board of directors of the Target held on October 22, 2014, it was resolved to approve any

transfer of the Stock Acquisition Rights to the Tender Offeror. In addition, the exercise period of the Stock Acquisition Rights will not begin until the end of the Tender Offer Period. However, upon carefully considering the forecast of the operating income of the Target, since (i) the Tender Offer Price exceeds the exercise price of the Stock Acquisition Rights per share of the common shares (575 yen), and (ii) the exercise period will begin on July 1, 2015, which is close to the end of the Tender Offer Period, the Company determined the purchase price of the Stock Acquisition Rights of the Target to be 57,600 yen, obtained by multiplying the difference (288 yen) between 863 yen (which is the Tender Offer Price) and 575 yen (which is the exercise price of the Stock Acquisition Rights per share of the common shares) by 200 (which is the number of the common shares which are the object of one unit of the Stock Acquisition Rights).

(Measures to ensure the fairness of the Tender Offer including those to ensure the fairness of Tender Offer Price and to avoid conflicts of interest)

Since the Target is a consolidated subsidiary of the Company as of this date, anticipating the possibility of having any effect on the minority shareholders, the Company and the Target have implemented the following measures in order to ensure the fairness of the Tender Offer, including those to ensure the fairness of the Tender Offer Price and to avoid any conflicts of interest.

The Company does not establish a minimum number of shares to be acquired in the Tender Offer in accordance with so-called “Majority of Minority” concept. However, since the measures as set forth in the following (a) through (f) were taken by the Company and the Target in the Tender Offer, the terms and conditions of the Tender Offer are considered to be duly established by taking into consideration the interests of the minority shareholders of the Target, and, as set forth in “(c) Establishment of a Third-party Committee by the Target”, the third-party committee established by the Target has submitted the Report to the Target stating that the Transaction is not disadvantageous to the Target’s minority shareholders.

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

In order to ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, the Company requested Nomura Securities, a financial advisor of the Company, to perform a valuation of the shares of the Target, as a third-party valuation institution that is independent from the Company and the Target in determining the Tender Offer Price. Nomura Securities is not a related party of the Company or the Target and does not have any material interest in the Transaction including the Tender Offer. For the outline of the Valuation Report that we received from Nomura Securities, please refer to the “(i) Basis of Calculation” above.

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

According to the Target’s announcement, in order to ensure the fairness of the decision-making process for the Tender Offer Price presented by the Company, the Target’s board of directors requested AGS Consulting, a financial advisor, and a third-party valuation institution independent from the Company and the Target, to conduct a valuation of the Target’s common stock, and received the Target’s Valuation Report from AGS Consulting as of October 21, 2014. AGS Consulting received from the Target’s management the materials concerning the current status and future plans of the Target’s business, along with an explanation thereof, and based on said materials and information, conducted a valuation of the Target’s common stock. The Target has not obtained any opinion on the fairness of the Tender Offer Price (a fairness opinion) from AGS Consulting.

After considering the analysis methods applicable to the valuation of the Target’s common stock from among a number of share valuation methods and taking into consideration the fact that the Target is a going concern and that it is appropriate to value the Target’s common stock from various perspectives,

AGS Consulting conducted the valuation of the Target's common stock by using a market price analysis, a DCF Analysis and a comparable company analysis. The ranges of the per share values of the Target's common stock, as calculated by AGS Consulting under each of the above-mentioned analyses, are as follows:

Market price analysis: 621 yen to 662 yen  
 DCF Analysis: 851 yen to 1,121 yen  
 Comparable company analysis: 736 yen to 899 yen

In the market price analysis, the base date was set as October 21, 2014 and the valuation per share of the Target's common stock was made based upon the closing price of the Target's common stock on the Mothers market of the Tokyo Stock Exchange on the base date (662 yen), as well as the simple average closing prices of one month, three months and six months immediately prior to the base date (638 yen, 642 yen and 621 yen, respectively). Under the market price analysis, the price range for the value per share of the Target's common stock was derived to be 621 yen to 662 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 profit projections of the Target (taking into consideration the business plan that the Target formulated for the three fiscal years from the fiscal year ending March 2015 to the fiscal year ending March 2017, interviews with the management of the Target, up-to-date business performance trends and various other factors including publicly disclosed information); under the analysis, the price range for the value per share of the Target's common stock was derived to be 851 to 1,121 yen. For the discount rate under said Analysis, 8.81% to 10.81% is applied, and in calculating the going concern values, the constant-growth rate model is adopted and the perpetual growth rate is set as  $\pm$  (plus or minus) 1.0%.

The financial projections on the basis of the Target's business plan, based on which AGS Consulting conducted the valuation under the DCF Analysis, are as follows. According to the Target, a fiscal year(s) during which it expects a substantial increase in profits, is included in the following financial projections. This is mainly due to the expectation of increase in revenue and profit resulting from an increase in transactions in overseas business. In addition, the following financial projections are made without taking into consideration the synergy effect which is expected to be realized through the implementation of the Transaction due to the difficulty in estimating such synergy effect in detail as of this moment. The above-mentioned valuation was made taking into consideration, in advance, the content of the full year business forecast for the fiscal year ending March 2015, set forth in the "Notice regarding Differences between Business Forecast for Cumulative Second Quarter Period of the Fiscal Year Ending March 2015 and Actual Results and Revised Full Year Business Forecast, and Revised Dividend Forecast" released by the Target on October 22, 2014.

(Unit: millions of yen)

|                  | Fiscal Year Ending March 2015 | Fiscal Year Ending March 2016 | Fiscal Year Ending March 2017 |
|------------------|-------------------------------|-------------------------------|-------------------------------|
| Sales amount     | 4,185                         | 4,604                         | 4,931                         |
| Operating income | 950                           | 1,004                         | 1,295                         |
| EBITDA           | 1,088                         | 1,142                         | 1,433                         |
| Free cash flow   | 628                           | 281                           | 720                           |

In the comparable company analysis, AGS Consulting, taking into consideration the similarity to the Target in terms of business type, extracted KU HOLDINGS CO., LTD., Carchs Holdings Co., Ltd., TRUST CO, LTD., NEXTAGE Co., Ltd., APPLE INTERNATIONAL CO., LTD., NEXT Co., Ltd., istyle Inc., Yume no Machi Souzou linkai Co., Ltd. and ITmedia Inc. as the company operating businesses relatively comparable to those of the Target from among other listed companies, and calculated, by using EBITDA multiple, the share value per share of the Target's common stock to be from 736 yen to 899 yen.

AGS Consulting is not a related party of the Company or the Target, and does not have any material

interest in the Transaction including the Tender Offer.

Since the purchase price in respect of the Stock Acquisition Rights has been determined to be 57,600 yen, the amount of which is obtained by multiplying the difference (288 yen) between 863 yen (which is the Tender Offer Price) and 575 yen (which is the exercise price of the Stock Acquisition Rights per share of the common shares) by 200 (which is the number of the common shares which are the object of one unit of the Stock Acquisition Rights), the Target did not receive a valuation report from a third-party valuation institution with respect to the Stock Acquisition Rights.

(c) Establishment of a Third-party Committee by the Target

According to the Target's announcement, in order to eliminate arbitrariness from the Target's decision making in relation to the Tender Offer and to secure fairness, transparency and objectivity in the decision making process, the Target's board of directors, as of September 22, 2014, established a third-party committee consisting of committee members that are independent from the Company and the Target, which is composed of the outside experts, (three members of the third-party committee, i.e., Mr. Fumio Yamaura (outside corporate auditor of the Target), Mr. Motohiro Ikehara (an attorney at law, Partner of Nomura & Partners) and Mr. Akira Enomoto (a certified public accountant and licensed tax accountant, member of Cinq & Associates), all of whom are independent from the Company and the Target, were appointed. According to the Target's announcement, the Target originally appointed said three persons as the members of the third-party committee, and have not replaced any of the members of the third-party committee.), and the Target's board of directors additionally resolved to consult with the third-party committee on the following matters in order to form the basis for the board of directors' review of the content of the Target's opinion to be provided prior to the execution of the Tender Offer: (a) the rationality of the purpose of the Transaction (including whether or not the Transaction will contribute to the enhancement of the Target's corporate value), (b) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the Tender Offer Price and the consideration for the secondary acquisition to be conducted subsequent to the Tender Offer, and the examination process and background of negotiations in relation to the Transaction), (c) the transparency and fairness of the procedures of the Transaction (including the consideration extended to the interests of the Target's shareholders), (d) whether or not the Target's board of directors will state an opinion supporting the Tender Offer, and whether or not the Target's board of directors will recommend that the Target's shareholders and holders of the stock acquisition rights should tender their shares and/or stock acquisition rights in the Tender Offer, and (e) whether or not the Transaction would be disadvantageous to the minority shareholders of the Target (hereinafter referred to collectively as the "Consulted Matters").

The meetings of third-party committee were held 5 times in total during the period from October 2, 2014 to October 21, 2014, and had carefully and repeatedly reviewed the Consulted Matters.

In particular, the third-party committee, firstly, based on each of the materials provided by the Target, received explanations from the Target concerning the details of the Company's proposal, the purposes of the Transaction, specific details of the corporate value of the Target that is expected to be enhanced by the Transaction, the management structure and policies to be implemented subsequent to the Transaction, and the terms and conditions of the Transaction, and received similar explanation from the Company. Subsequently, the third-party committee raised inquiries regarding such matters, and received responses thereon. Furthermore, the third-party committee also received explanations concerning the Target's business plan from the Target and made inquiries to, and received responses from, the Target in regard to such explanations. In addition, the third-party committee received explanations concerning the share valuation of the Target's common stock from AGS Consulting, based on the Share Valuation Report that was submitted by AGS Consulting to the Target, and then raised inquiries to, and received responses from, AGS Consulting regarding such explanations.

As mentioned above, on October 21, 2014, after the third-party committee carefully and repeatedly reviewed the Consulted Matters from the viewpoint of the enhancement of the Target's corporate value,

the third-party committee submitted to the Target's board of directors the Report, providing that (a) the Transaction will realize the further enhancement of the earnings base and the improvement of the corporate value of the Company group, including the Target, and the purposes of the Transaction are appropriate, because the unified management of the Target and the Company to be formed through the Transaction will enable the Target: (i) to form a structure under which prompt decision-making is possible, (ii) to enhance the earnings base of the Target based on a medium to long term perspective, and not focus on only short-term earnings, and (iii) to realize bold strategies as well as the consolidation of the business functions of the Company group so that the Target could achieve business synergies as a leading company for automobile-related services business of the Company group; (b) the terms and conditions of the Transaction are appropriate, from the perspectives that the amount of money to be distributed in the two-step takeover is planned to be calculated so that said amount is equivalent to the amount obtained by multiplying i) the Tender Offer Price by ii) the number of shares of the Target's common stock held by the relevant shareholders; that, under the terms and conditions of the Tender Offer, the Tender Offer Period is set relatively longer, as well as the Tender Offer Price is deemed to include a substantial premium; and the Tender Offer Price was determined by taking appropriate measures to eliminate the potential for any conflict of interest, and so on; (c) the procedures for the Transaction are transparent and fair, in that the directors who fall under the interested parties of the Target did not participate in the decision making process with respect to the Transaction; the independent financial advisor and legal advisor were appointed; and the valuation report was provided by the independent third-party valuation institution, and so on; (d) it is appropriate for the board of directors of the Target to state an opinion supporting the Tender Offer as well as to recommend that the Target's shareholders and holders of the stock acquisition rights tender their shares of the Target's common stock and their stock acquisition rights in the Tender Offer; and (e) accordingly, the third-party committee could conclude that the Transaction is not disadvantageous to the minority shareholders of the Target.

(d) Advice from Target's Independent Law Firm

According to the Target's announcement, in order to ensure transparency and appropriateness in the decision-making process regarding the Transaction, including the Tender Offer, the Target obtained legal advice from City-Yuwa Partners, as a legal advisor independent from the Company and the Target, in relation to the decision making process and method for stating their opinion concerning the Tender Offer and other issues to be considered that are relevant thereto.

(e) Unanimous Approval by the Target's Disinterested Directors and Corporate Auditors

According to the Target's announcement, the board of directors of the Target, in light of legal advice received from City-Yuwa Partners and the Target's Valuation Report received from AGS Consulting, a third party valuation institution, and according maximum respect to the content of the final version of the Report submitted by the third-party committee, carefully discussed and considered the Transaction from various viewpoints, including whether the Transaction will contribute to the enhancement of the Target's corporate value and whether the Tender Offer Price in the Transaction and other terms and conditions for the Tender Offer are appropriate.

As a result, with respect to the Transaction, for the reasons that (i) the collaboration with YAHUOKU! will enable construction of a new business platform and the obtainment of business growth opportunities over the medium to long term, (ii) the unified management with the Company after becoming a wholly-owned subsidiary of the Company will enable the promotion of rapid decision-making, and (iii) a reduction in the burden of the costs for maintaining a listing, etc. is expected, the board of directors of the Target determined that aiming at the growth of both the Company and the Target as a core subsidiary within the automotive area of the Company group and, for that purpose, further strengthening the unified management between the Company and the Target are beneficial to the enhancement of corporate value not only of the Target but also of the whole Company group of which the Target is a part and thereby, further determined that it would provide to the shareholders of the Target an opportunity to sell their shares at prices with a substantial premium.

Accordingly, at the meeting of the board of directors held on October 22, 2014, the board of directors of the Target resolved to state an opinion supporting the Tender Offer as well as to recommend that the Target's shareholders and holders of the stock acquisition rights tender their shares of the Target's common stock and their stock acquisition rights in the Tender Offer.

With respect to the above-mentioned meeting of the board of directors, since Mr. Yutaka Hyodo, President and Representative Director of the Target was previously an employee of the Company and was involved in the review of the business alliance between the Company and the Target including the feasibility of the Transaction at the preliminary stage, it is, to some extent, undeniable that he has any effect from the Company in respect of the Transaction; and, since Mr. Masayuki Takada, Mr. Akiyoshi Yoneya and Mr. Norihiko Watanabe, the outside directors of the Target, are concurrently the employees of the Company, in order to avoid the potential for any conflict of interest with the Target involving the above-mentioned persons, (i) as the first step, after the deliberations by the other two directors, exclusive of Mr. Yutaka Hyodo, Mr. Masayuki Takada, Mr. Akiyoshi Yoneya and Mr. Norihiko Watanabe, the above-mentioned resolution was unanimously approved, and (ii) consequently as the second step, in order to ensure a quorum for the resolution of the meeting of the board of directors, the deliberations were again made by the six directors, inclusive of Mr. Yutaka Hyodo, Mr. Masayuki Takada, Mr. Akiyoshi Yoneya and Mr. Norihiko Watanabe, and the resolution was unanimously approved.

In addition, all of the corporate auditors (out of the 3 corporate auditors, 2 corporate auditors attended (2 of them are outside corporate auditors)) attending the above-mentioned meeting of the board of directors did not have any objection to the above-mentioned resolution. Since Ms. Hiromi Onitsuka, a corporate auditor of the Target, concurrently holds the office of a corporate auditor of the Company, in order to avoid the potential for any conflict of interest with the Target in relation to the Transaction, she did not attend the above-mentioned meeting of the board of directors to deliberate the Transaction including the Tender Offer and refrained from stating her comments concerning the above-mentioned resolution of the meeting of the board of directors.

(f) Measures to Secure an Opportunity for Others to Make any Competing Offers

The Company has not entered into any agreement with the Target that may restrict the Target from contacting competing potential tender offerors, including an agreement providing a transaction protection clause that may restrict the Target from contacting competing potential tender offerors.

Furthermore, the Company set the tender offer period for the Tender Offer at 31 business days, which is longer than the statutory minimum period of 20 business days. By making the tender offer period relatively long, the Company contemplates assuring the fairness of the Tender Offer Price through providing all of the shareholders of the Target's common stock and the holders of the Stock Acquisition Rights with an appropriate opportunity to consider and decide whether or not to tender their shares and stock acquisition rights in the Tender Offer and through securing an opportunity for any potential tender offerors other than the Company to acquire the Target's common stock.

(iii) Relationship with Valuation Institution

Nomura Securities, a 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 |
|-----------------------|-------------------------------|-------------------------------|
| 6,149,360 shares      | 2,067,400 shares              | - shares                      |

Note 1: If the aggregate number of the Tendered Share Certificates does not fulfill the minimum number of shares to be acquired (2,067,400 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, the Company will purchase all of the Tendered Share Certificates. The number of shares described in the column “Number to Be Acquired” above is the maximum number of share certificates and other securities of the Target to be acquired by the Tender Offeror through the Tender Offer. Such maximum number of shares (i.e., 6,149,360 shares) is obtained by (a) deducting (i) the number of the Target’s treasury stocks as of September 30, 2014 (i.e., 419,440 shares), as set forth in the Summary of Financial Statements of the Target and (ii) the number of shares held by the Company as of this date (i.e., 6,590,800 shares), from the total number of issued shares of the Target as of September 30, 2014 (i.e., 12,665,600 shares), as set forth in the Summary of Financial Statements of the Target, and (b) adding thereto the number of the Target’s common stock (494,000 shares) which are the object of the Stock Acquisition Rights (2,470 units) as of May 31, 2014, as set forth in the 18th Business Period Annual Securities Report filed by the Target on June 19, 2014.

Note 2: 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 3: There is no plan to purchase, through the Tender Offer, the treasury stocks held by the Target.

(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 before Tender Offer:             | 65,908 (units)  | (Ownership Percentage of Share Certificates before Tender Offer: 51.73%) |
| Number of Voting Rights Represented by Share Certificates and Other Securities Held by Special Related Parties before Tender Offer:    | 2,750 (units)   | (Ownership Percentage of Share Certificates before Tender Offer: 2.16%)  |
| Number of Voting Rights Represented by Share Certificates and Other Securities Held by Tender Offeror after Tender Offer:              | 127,401(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 the Tender Offer: | - (units)       | (Ownership Percentage of Share Certificates after Tender Offer: -%)      |
| Total Number of Voting Rights of Shareholders and Holders of Other Securities of Target:   | 122,458 (units) |  |

Note 1: “Number of Voting Rights Represented by Share Certificates and Other Securities Held by Special Related Parties before Tender Offer” is the total number of the voting rights represented by the share certificates and other securities held by each of the special related parties (however, out of the special related parties, the parties who are excluded from the special related parties pursuant to Article 3,

Paragraph 2, Item 1 of the Cabinet Office Ordinance on Disclosure of Takeover Bids of Shares Conducted by Non-Issuers (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; hereinafter referred to as the “TOB Order”), in calculating the ownership percentage of share certificates and other securities pursuant to each of the Items of Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended; hereinafter referred to as the “Act”), are excluded.). Since the share certificates and other securities held by the special related parties (however, the Target’s treasury stocks are excluded) shall also be subject to the Tender Offer, “Number of Voting Rights Represented by Share Certificates and Other Securities Held by Special Related Parties before Tender Offer” is not added to the numerator in calculating the “Ownership Percentage of Share Certificates and Other Securities after Tender Offer”.

Note 2: “Total Number of Voting Rights of Shareholders and Holders of Other Securities of Target” is the total number of voting rights of shareholders and holders of other securities of the Target as of March 31, 2014 as set forth in the 19th Business Period First Quarterly Report filed by the Target on August 14, 2014 (with one (1) unit of shares representing 100 shares). However, since the shares less than one unit and the Stock Acquisition Rights shall also be subject to the Tender Offer, for the purpose of calculating “Ownership Percentage of Share Certificates before Tender Offer” and “Ownership Percentage of Share Certificates after Tender Offer”, the number of voting rights (127,401 units) represented by the number of shares (12,740,160 shares) that is obtained by (i) deducting the number of the Target’s treasury stocks (419,440 shares) from the total number of issued shares (12,665,600 shares) as of June 30, 2014 as set forth in the above-mentioned First Quarterly Report, and (ii) adding thereto the number of the Target’s common stocks (494,000 shares) which are the object of the Stock Acquisition Rights (2,470 units) as of May 31, 2014 as set forth in the 18th Business Period Annual Securities Report filed by the Target on June 19, 2014, is used as the denominator.

Note 3: “Ownership Percentage of Share Certificates before Tender Offer” and “Ownership Percentage of Share Certificates after Tender Offer” are rounded to the nearest hundredth.

(7) Purchase Price 5,022 million yen

Note: The above-mentioned amount is the total of (A) the amount obtained by multiplying the number of shares (5,655,360 shares) obtained by deducting (i) the number of common stocks of the Target (494,000 shares) which are the object of the Stock Acquisition Rights (2,470 units) as of May 31, 2014, as set forth in the 18th Business Period Annual Securities Report filed by the Target on June 19, 2014, from (ii) the number of shares to be acquired (6,149,360 shares) in the Tender Offer, by the Tender Offer Price (863 yen), and (B) the amount obtained by multiplying the number of the relevant Stock Acquisition Rights (2,470 units) by the purchase price (57,600 yen) per unit of the relevant Stock Acquisition Rights.

(8) Method of Settlement

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

Nomura Securities Co., Ltd. 1-9-1 Nihonbashi, Chuo-ku, Tokyo

(ii) Commencement Date of Settlement

December 15, 2014 (Monday)

(iii) Method of Settlement

Promptly after the Tender Offer Period, a notice of purchase by Tender Offer will be mailed to the address of the tendering shareholders (in the case of Foreign Shareholders, to their standing proxy in Japan). For

those who have given consent through Nomura Net & Call to receipt of documents electronically delivered, the notice will be provided electronically through the website for Nomura Net & Call (<https://nc.nomura.co.jp/>).

The payment for the purchase will be made by cash. The tendering shareholders may receive the proceeds of the Tender Offer through a method, such as by wire transfer, as directed by the tendering shareholders (there may be extra fees incurred in connection with fund transfers) without delay on or after the commencement date of settlement.

(iv) Method of Returning Share Certificates and Other Securities

If any Tendered Share Certificates are not purchased under the terms mentioned 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” of “(9) Other Conditions and Methods of Tender Offer” below, the share certificates and other securities required to be returned will be returned to the tendering shareholders promptly after the second business day following the last day of the Tender Offer Period (or the date of withdrawal of the Tender Offer, if the Tender Offer is withdrawn). The shares will be returned by causing the record of the shares to be returned, to be restored to its state immediately prior to such tendering, at the Tendering Shareholders Account of the Tender Offer Agent (if the tendering shareholders wish that such share be transferred to the account opened with other financial instruments business operators, please check with the head office or branch offices in Japan of the Tender Offer Agent who accepted the relevant application). 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’ instruction.

(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 the Tendered Share Certificate does not fulfill the minimum number of shares to be acquired (2,067,400 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 (2,067,400 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, and Item 3.10, 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; hereinafter referred to as the “Enforcement Order”), occurs.

In the Tender Offer, “facts equivalent to those set forth in Items 3.1 through 3.9” as provided in Article 14, Paragraph 1, Item 3.10 of the Enforcement Order means the case in which (A) the statutory disclosure documents that the Target previously submitted are proven to contain any erroneous descriptions in material matters or to lack material matters that are required to be stated, and (B) the Tender Offeror did not notice or was not aware that said statutory documents contained such erroneous descriptions, etc. and was not able to notice or be aware of that fact despite its reasonable care.

If the Tender Offeror intends to withdraw the Tender Offer, the Tender Offeror will give an electronic public notice and provide notice thereof 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.

(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 conducts any act 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 in accordance with the standards prescribed in Article 19, Paragraph 1 of the TOB Order. If the Tender Offeror intends to reduce the tender offer price, the Tender Offeror will give an electronic public notice and provide notice to such effect in The Nihon Keizai Shimbun. However, if it is difficult to give such 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 also purchase at the reduced tender offer price, the Tendered Share Certificates tendered prior to the date on which the public notice is issued.

(iv) Matters Concerning Right of Tendering Shareholders to Cancel Tender

Tendering shareholders may cancel the agreement related to the Tender Offer at any time during the Tender Offer Period. In the event of cancelling the contract, please provide or send a written notice stating the cancellation of the agreement related to the Tender Offer (“Document of Cancellation”) to the main office or branch office who accepted the tendering application of the subject individual by 15:30 on the last day of the Tender Offer Period, if sending by mail, the Document of Cancellation must be received by 15:30 on the last day of Tender Offer Period. Note, any cancellation of a contract executed by tendering through Nomura Net & Call must be effected either through the website for Nomura Net & Call (<https://nc.nomura.co.jp/>) or by sending the Document of Cancellation. In the event of cancelling the contract through the website for Nomura Net & Call, please complete the cancellation procedures set forth on such website by 15:30 on the last day of the Tender Offer Period. In the event of cancelling the contract by sending the Document of Cancellation, please request a form of the Document of Cancellation from Nomura Net & Call Customer Support in advance and send the Document of Cancellation to Nomura Net & Call. With respect to Nomura Net & Call, the Document of Cancellation must be also received by 15:30 on the last day of Tender Offer Period.

Party with right to accept Document of Cancellation:

Nomura Securities Co., Ltd.  
1-9-1 Nihonbashi, Chuo-ku, Tokyo  
(Other Nomura Securities offices throughout Japan)

Even in the event of the tendering shareholders cancelling the agreement, the Tender Offeror will not demand the tendering shareholders to pay compensation for damages or make penalty payments. In addition, fees in connection with the return of the Tendered Share Certificates will be borne by the Tender Offeror.

(v) Method of Disclosure of Change in Conditions of Tender Offer

The Tender Offeror may, during the Tender Offer Period, amend the terms and conditions, etc. for the Tender Offer unless otherwise prohibited under Article 27-6, Paragraph 1 of the Act and Article 13 of the Enforcement Order. If any changes are made to any of the terms and conditions concerning the acquisition, the Tender Offeror will give an electronic public notice and provide notice thereof in The Nihon Keizai Shimbun. However, if it is difficult to give such 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 terms and conditions of the acquisition are changed, the Tender Offeror will also acquire the Tendered Share Certificates tendered on or before the date of the public notice in accordance with the changed conditions of the purchase.

(vi) Method of Disclosure of Amendment Statement

If the Tender Offeror files an amendment statement with the Director of the Kanto Local Finance Bureau, the Tender Offeror will immediately announce the content thereof that is relevant to the content of the public notice of the commencement of the Tender Offer, in accordance with the manner set out in Article 20 of the TOB Order. The Tender Offeror will also immediately amend the Tender Offer Explanation Statement and distribute the amendment to the Tender Offer Explanation Statement to the tendering shareholders who have received the Tender Offer Explanation Statement. However, if the Tender Offeror amends only small parts of the Tender Offer Explanation Statement, it may instead distribute to the tendering shareholders a document stating the reason for the amendments, the matters having been amended, and the details thereof.

(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 after the last day of the Tender Offer Period.

(10) Date of Public Notice

October 23, 2014 (Thursday)

(11) Tender Offer Agent

Nomura Securities Co., Ltd. 1-9-1 Nihonbashi, Chuo-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 in Reaching the Decision of Conducting the Tender Offer, and Management Policies Subsequent to Tender Offer” of “1. Purpose of Tender Offer”.

(2) Future Prospects of Business Performance

The impact of the Tender Offer on the Company’s forecast of consolidated or non-consolidated 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 meeting of the board of directors of the Target held on October 22, 2014 resolved to state an opinion supporting the Tender Offer, as well as to recommend that shareholders of the Target and the holders of the stock acquisition rights tender their shares and the stock

acquisition rights in the Tender Offer.

For the details of the decision-making of the Target, please refer to the Target's Announcement and "(ii) Process of Calculation" of "(4) Basis of Calculation, etc. of Tender Offer Price" in "2. Outline of Tender Offer, etc."

- (ii) Background, Purposes and Decision-making Process in Reaching the Decision of Conducting the Tender Offer, and Management Policies Subsequent to Tender Offer

Please refer to "(2) Background, Purposes and Decision-making Process in Reaching the Decision of Conducting the Tender Offer, and Management Policies Subsequent to Tender Offer" in "1. Purpose of Tender Offer" above.

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

Please refer to "(i) Basis of Calculation" and "(ii) Process of Calculation" of "(4) Basis of Calculation, etc. of Tender Offer Price" in "2. Outline of Tender, Offer etc." above.

- (iv) Summary of LOI

Please refer to "(3) Details of Material Agreements Concerning Tender Offer" in "1. Purpose of Tender Offer" above.

- (2) Other Information Deemed Necessary for Decision-Making by Investors Concerning Tender Their Shares

- (i) The Target released the "Summary of Financial Statements for the Second Quarter of the Fiscal Year Ending March 2015 (Japan GAAP) (Consolidated)" on October 22, 2014. According to such release, the profits and losses and other financial results on a consolidated basis for the relevant period of the Target are as follows. The results contained in such release are not audited by the auditors. The following summary of the release are excerpted from those released by the Target. For details, please see the relevant release by the Target.

- (a) Profits and Losses

| Fiscal year                                  | March 2015<br>(19th Term Consolidated Cumulative Second Quarter<br>Period) |
|--|--|
| Net sales                                    | 2,035 million yen  |
| Cost of sales                                | 434 million yen  |
| Selling, general and administrative expenses | 1,124 million yen  |
| Non-operating incomes                        | 17 million yen   |
| Non-operating expenses                       | 0 million yen  |
| Quarterly net income                         | 301 million yen  |

- (b) Per Share Data (Consolidated)

| Fiscal year                    | March 2015<br>(19th Term-Second Quarter) |
|--------------------------------|--|
| Quarterly net income per share | 24.65 yen                                |
| Dividends per share            | - yen                                    |
| Net assets per share           | 447.00 yen                               |

(ii) As of October 22, 2014, the Target released the “Notice regarding Differences between Business Forecast for Cumulative Second Quarter Period of the Fiscal Year Ending March 2015 and Actual Results and Revised Full Year Business Forecast, and Revised Dividend Forecast”. The differences between the consolidated business forecast for the cumulative second quarter period of the fiscal year ending March 2015 and the actual results and the revisions of the full year business forecast ending March 2015 of the Target, which are described in the aforementioned announcement, are as follows. The following summary of said announcement is an abstract from the announcement released by the Target. For details, please refer to the relevant announcement released by the Target.

(a) Differences between Consolidated Business Forecast for Cumulative Second Quarter Period of Fiscal Year Ending March 2015 and Actual Results (for the period from April 1, 2014 to September 30, 2014)

|  | Net sales                   | Operating income          | Ordinary income           | Quarterly net income      | Quarterly net income per share |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Last announcement (A)  | In millions of yen<br>1,970 | In millions of yen<br>321 | In millions of yen<br>326 | In millions of yen<br>210 | In yen<br>17.15                |
| Actual Results (B)   | 2,035                       | 477                       | 494                       | 301                       | 24.65                          |
| Change (B-A)   | 65                          | 156                       | 168                       | 91                        |                                |
| Change (%)   | 3.3%                        | 48.6%                     | 51.5%                     | 43.3%                     |                                |
| (Reference)<br>Actual results of the second quarter of fiscal year ending March 2014 | 1,813                       | 222                       | 234                       | 61                        | 5.00                           |

(b) Business Forecast for Full Year Ending March 2015 (for the period from April 1, 2014 to March 31, 2015)

|                       | Net sales                   | Operating income          | Ordinary income           | Net income                | Net income per share |
|-----------------------|-----------------------------|---------------------------|---------------------------|---------------------------|----------------------|
| Last announcement (A) | In millions of yen<br>4,118 | In millions of yen<br>750 | In millions of yen<br>759 | In millions of yen<br>489 | In yen<br>39.93      |
| Revised forecast (B)  | 4,185                       | 950                       | 973                       | 597                       | 48.75                |
| Change (B-A)          | 67                          | 200                       | 214                       | 108                       |                      |
| Change (%)            | 1.6%                        | 26.7%                     | 28.2%                     | 22.1%                     |                      |

|  |       |     |     |     |       |
|--|-------|-----|-----|-----|-------|
| (Reference)<br>Actual results for<br>the fiscal year<br>ending March<br>2014 | 3,858 | 671 | 706 | 334 | 27.25 |
|--|-------|-----|-----|-----|-------|

In addition, the Target resolved at the meeting of the board of directors held on October 22, 2014 to revise its dividend forecast and not to distribute year-end dividend of the fiscal year ending March 2015 on condition that the Tender Offer will complete. For the details of the resolution, please refer to the above-mentioned announcement of the Target.

(Reference: the Company)

Forecast of consolidated business results of the Company for second quarter of fiscal year ending March 2015 (accumulated) (announced as of July 31, 2014) and actual results for second quarter of fiscal year ending March 2014 (accumulated)

(Unit: millions of yen)

|   | Consolidated Net Sales | Consolidated Operating Income |
|---|------------------------|-------------------------------|
| Second quarter of fiscal year ending March 2015 (accumulated) | 201,000                | 93,400                        |
| Second quarter of fiscal year ending March 2014 (accumulated) | 188,040                | 97,880                        |

\* For the forecast of consolidated business results for the second quarter of the fiscal year ending March 2015, International Financial Reporting Standards (IFRS) are applied; the actual results for the second quarter of the fiscal year ending March 2014 (accumulated) are based on Japan GAAP.

Consolidated business results, actual results for full fiscal year ending March 2014

(Unit: millions of yen)

|  | Consolidated Net Sales | Consolidated Operating Income | Consolidated Ordinary Income | Consolidated Net Income |
|--|------------------------|-------------------------------|------------------------------|-------------------------|
| Consolidated business results for full fiscal year ending March 2014 | 386,284                | 197,416                       | 197,634                      | 125,116                 |

\* The consolidated business results, the actual results for the fiscal year ending March 2014, are based on Japan GAAP.

End

#### **Restrictions Related to the United States**

The Tender Offer to be conducted pursuant to this announcement will be conducted in accordance with the procedures and the information disclosure standards prescribed by the Act of Japan, and these procedures and standards may differ from the procedures and the information disclosure standards in the United States. In particular, Section 13 (e) and Section 14 (d) of the Securities Exchange Act of 1934 and the rules subordinate to these Sections, do not apply to the Tender Offer, and the Tender Offer is not conducted in accordance with the procedures and standards thereunder. Additionally, not all of the financial information contained in this announcement corresponds to that which is contained in financial statements prepared in accordance with the accounting standards in the United States. Moreover, because

the Tender Offeror is a corporation established outside of the United States, it may be difficult to exercise the rights or claims enforceable due to violation of the securities-related laws of the United States. Furthermore, it may be impossible to file a suit in the courts outside of the United States, against a corporation outside of the United States or the employees thereof, for a violation of the securities-related laws of the United States. In addition, there is no guarantee that it will be possible to compel the companies and their subsidiaries and affiliates outside of the United States to subject themselves to the jurisdiction of the courts in the United States.

This announcement contains “forward-looking statements” as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results could differ materially from any explicit or implicit predictions made as “forward-looking statements” due to known and unknown risks, uncertainty and other factors. No assurance is given by the Tender Offeror or its affiliates that any such explicit or implicit predictions made as “forward-looking statements” will be achieved. The “forward-looking statements” contained in this announcement were made based on information available to the Tender Offeror as of the date of this announcement, and except where required by laws or regulations, neither the Tender Offeror nor its affiliates shall be required to change or revise the statements to reflect future events or circumstances.

Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. While all or any part of the documents relating to the Tender Offer are prepared in the English language, if there is any inconsistency between the English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.

The respective financial advisors to the Tender Offeror and the Target (including their respective affiliates) may, within their ordinary course of business and to the extent permitted under Japan’s financial instruments laws and other applicable laws and regulations, in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act of 1934, prior to the commencement of, or during the period of the Tender Offer (the “Tender Offer Period”), engage in the purchase, or arrangement to purchase, of shares of the Target for their own account or for their customers’ accounts by means other than pursuant to the Tender Offer. If any information concerning such purchase is disclosed in Japan, disclosure will be made on the English homepage of the financial advisors who conduct such purchase (or through other public disclosure methods).