

November 6, 2018

This document is an English translation
of a statement written originally in Japanese.
The Japanese original should be considered
as the primary version.

ITOCHU Corporation

(Code No. 8001, Tokyo Stock Exchange, First Section)

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**Announcement in Relation to Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd.
(Code No. 7532) by a Subsidiary (FamilyMart UNY Holdings Co., Ltd. (Code No. 8028))**

ITOCHU hereby announces that FDU Investment, LLC, a fully-owned subsidiary of Family Mart UNY Holdings Co., Ltd. (First Section of the Tokyo Stock Exchange and First Section of the Nagoya Stock Exchange, Code No. 8028), decided today to commence the tender offer for the shares of common stock of Don Quijote Holdings Co., Ltd. (First Section of Tokyo Stock Exchange, Code No. 7532) in accordance with the Financial Instruments and Exchange Act (Act No.25 of 1948, as amended) from November 7, 2018 and gives notice as attached.

(Attachment)

The disclosure document released by Family Mart UNY Holdings Co., Ltd.;

“Announcement of Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd.
(Code No. 7532)”



November 6, 2018

To Whom It May Concern

Company Name: FamilyMart UNY Holdings Co., Ltd.
(Code No. 8028; First Sections of Tokyo Stock Exchange and Nagoya Stock Exchange)

Name of Representative: Koji Takayanagi, Representative Director and President
Contact: Hiroshi Iwasaki, General Manager of Corporate Communications Office (TEL.+81-3-3989-7338)

Company Name: FDU Investment, LLC
Name of Representative: Isao Kubo, Managing Officer
Contact: As above

Announcement of Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd. (Code No. 7532)

FamilyMart UNY Holdings Co., Ltd. (“**FamilyMart UNY HD**” or the “**Company**”) announced in the “Announcement of Planned Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd. (Code No. 7532) and Transfer of Shares Accompanied by Changes to Subsidiary” dated October 11, 2018 that the Company’s wholly-owned subsidiary will acquire the shares of common stock (the “**Target Company Shares**”) of Don Quijote Holdings Co., Ltd. (First Section of the Tokyo Stock Exchange, Inc. (the “**Tokyo Stock Exchange**”, and the First Section of the Tokyo Stock Exchange, the “**First Section of TSE**”), Code No. 7532; the “**Target Company**”) by tender offer (the “**Tender Offer**”) in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**Act**”), on the condition that certain matters (for details, please refer to “(1) Outline of the Tender Offer” of “2. Purpose of the Tender Offer, etc.” below) are carried out, such as that the Target Company will resolve at a meeting of its board of directors to express an opinion that it supports the Tender Offer and that it will not make any resolution to withdraw that resolution or make any resolution that contradicts that resolution.

FDU Investment, LLC (the “**Tender Offeror**”), FamilyMart UNY HD’s wholly-owned subsidiary, decided today to commence the Tender Offer from November 7, 2018 and gives notice as follows.

In addition, FamilyMart UNY HD executed the share purchase agreement (the “**Share Purchase Agreement**”) with the Target Company on October 11, 2018 for the transfer to the Target Company of all shares (the “**Transfer**”) of UNY CO., LTD. (“**UNY**”), a consolidated subsidiary of FamilyMart UNY HD. After implementation of the Transfer and the Tender Offer, the Company intends to move forward with considering a review of the holding company structure, such as changing the Company’s name and the reorganization of the Company group, in preparation for the annual shareholders meeting to be held in May 2019. We will make an announcement once a decision is made on that matter.

Further, this document is disclosed by FamilyMart UNY HD in accordance with the Securities Listing Regulations, and also is the official announcement pursuant to Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Act No. 321 of 1965, as amended; the “**Order**”) based on the request by the Tender Offeror to FamilyMart UNY HD (the wholly-owning parent company of the Tender Offeror).

1. Outline of FDU Investment, LLC

(1)	Name	FDU Investment, LLC
(2)	Location	1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo
(3)	Name and Title of Representative	Isao Kubo, Managing Officer

(4)	Description of Business Activities	Acquisition and holding of the Target Company's share certificates, etc.
(5)	Capital	1,000,000 yen (as of November 6, 2018)

2. Purpose of the Tender Offer, etc.

(1) Outline of the Tender Offer

The Tender Offeror is a Godo Kaisha (limited liability company) incorporated on October 15, 2018 primarily for the purpose of acquiring and holding the share certificates, etc. of the Target Company through the Tender Offer and, as of today, FamilyMart UNY HD holds a 100% stake in the Tender Offeror. As of today, the Tender Offeror and FamilyMart UNY HD do not hold any Target Company Shares, which are listed on the First Section of TSE.

As announced by FamilyMart UNY HD (the wholly-owning parent company of the Tender Offeror) in "Announcement of Planned Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd. (Code No. 7532) and Transfer of Shares Accompanied by Changes to Subsidiary" dated October 11, 2018, to make the Target Company an equity method affiliate of FamilyMart UNY HD, FamilyMart UNY HD resolved at a board of directors meeting held on October 11, 2018 to cause its wholly-owned subsidiary to carry out the Tender Offer targeting the Target Company Shares, if the conditions for commencement of the Tender Offer have been satisfied including (i) the Target Company's board of directors has resolved to express an opinion that it supports the Tender Offer, and has not resolved to withdraw that resolution or made any resolution that contradicts that resolution, (ii) no actions, suits or proceedings seeking prohibition or restriction of the commencement of the Tender Offer are pending with a judicial or administrative agency, etc., and there is no determination, etc. made by a judicial or administrative agency, etc. prohibiting or restricting the commencement of the Tender Offer, (iii) there are no unannounced material facts (meaning material facts set out in Article 166, Paragraph 2 of the Act) and no facts relating to a tender offer (meaning facts set out in Article 167, Paragraph 2 of the Act) in relation to the Target Company, and (iv) no events that may have a material adverse effect on the businesses, financial conditions, management conditions or cash flow, or forecasts thereof, of the Target Company or its subsidiaries or affiliates, and no material changes in the domestic or overseas stock markets or other market environments, financial environments, or economic environments have occurred.

Also, the Tender Offeror confirmed today that the above conditions of the Tender Offer have been satisfied, and decided to commence the Tender Offer from November 7, 2018.

Further, the investigations and other procedures in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended) were completed on November 5, 2018.

As of today, the Target Company Shares are listed on the First Section of TSE, but due to the Tender Offeror and FamilyMart UNY HD carrying out the Tender Offer for the purpose of making the Target Company an equity method affiliate of FamilyMart UNY HD, the maximum number of shares to be purchased through the Tender Offer will be 32,108,700 shares^{*1} (Ownership Ratio:^{*2} 20.17% (rounded to the nearest two decimal places; same in the following calculations of percentages)). The maximum number of shares to be purchased is the minimum number of shares necessary for FamilyMart UNY HD to decisively make the Target Company an equity method affiliate, and is the number calculated taking into consideration the number of units of issued stock acquisition rights of the Target Company and the issuance of stock acquisition rights in the future based on the volume of stock acquisition rights issued in the past three years. If the Tender Offeror acquires 32,108,700 shares of the Target Company Shares through the Tender Offer, FamilyMart UNY HD will hold 20% or more of the number of voting rights of all shareholders of the Target Company.^{*3} If the total number of shares certificates, etc. that are offered for sale in response to the Tender Offer (the "**Tendered Share Certificates**") exceeds the maximum number of shares to be purchased (32,108,700 shares), all or part of that excess portion will not be purchased, and delivery and other settlement with respect to the purchase of share certificates, etc. will be handled on a proportionate basis, which is provided for in Article 27-13, Paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the "**Ordinance**"). On the other hand, there is no minimum number of shares to be purchased through the Tender Offer. Therefore, if the total number of Tendered Share Certificates is equal to or less than the maximum number of shares to be purchased (32,108,700 shares), all of the Tendered

Share Certificates will be purchased.

- *1 The maximum number of shares to be purchased in the Tender Offer (32,108,700 shares) is the number of shares equivalent to 20.00% (20.30% of the number of voting rights of all shareholders of the Target Company) of 160,577,827 shares, which is:
- (a) the total number of issued shares (158,193,160 shares) as of September 30, 2018 stated in the Summary of Consolidated Financial Results (Japanese Standards) for the First Quarter of the Fiscal Year Ending June 30, 2019 announced today by the Target Company (the “**Target Company Summary of Financial Results**”) plus
 - (b) the number of Target Company Shares (962,000 shares) that are the object of stock acquisition rights as of June 30, 2018 (9,791 units) stated in the 38th Annual Securities Report submitted by the Target Company on September 26, 2018 (the “**Target Company Annual Securities Report**”) *less* the reduced number of stock acquisition rights resulting from the exercise (164 units) and extinguishment (20 units) of the stock acquisition rights (total 184 units) reported by the Target Company as the source of fluctuations from July 1, 2018 until November 2, 2018 (i.e., 9,607 units), plus
 - (c) the number of Target Company Shares granted (16,400 shares) for the stock acquisition rights exercised (164 units) as above and a fixed number of shares taking into consideration the possibility of a new issuance of the stock acquisition rights in the future (1,410,900 shares), less
 - (d) the number of treasury shares held by the Target Company as of September 30, 2018 (4,633 shares) stated in the Target Company Summary of Financial Results.
- *2 “Ownership Ratio” means the ratio of shares owned to 159,166,927 shares, which is:
- (a) the total number of issued shares (158,193,160 shares) as of September 30, 2018 stated in the Target Company Summary of Financial Results plus
 - (b) the number of Target Company Shares (962,000 shares) that are the object of stock acquisition rights as of June 30, 2018 (9,791 units) stated in the Target Company Annual Securities Report *less* the reduced number of stock acquisition rights resulting from the exercise (164 units) and extinguishment (20 units) of the stock acquisition rights (total 184 units) reported by the Target Company as the source of fluctuations from July 1, 2018 until November 2, 2018 (i.e., 9,607 units), plus
 - (c) the number of Target Company Shares granted (16,400 shares) for the stock acquisition rights exercised (164 units) as above, less
 - (d) the number of treasury shares held by the Target Company as of September 30, 2018 (4,633 shares) as detailed in the Target Company Summary of Financial Results.
- *3 Meaning the number of voting rights of all shareholders as of June 30, 2018 detailed in the Target Company Annual Securities Report.

According to the “Announcement for Expression of Opinion by FDU Investment, LLC (a Wholly-Owned Subsidiary of FamilyMart UNY Holdings Co., Ltd.) on the Tender Offer for the Company’s Shares” released today by the Target Company (the “**Target Company Press Release**”), the Target Company gave its opinion as of October 11, 2018 that the Target Company supports the Tender Offer if it is commenced, and, as the Target Company Shares are scheduled to remain listed even after the Tender Offer, the board of directors resolved to leave the decision of whether the Target Company shareholders should tender their shares in the Tender Offer to the Target Company shareholders. Further, the Target Company resolved at the board of directors meeting as of today to support the Tender Offer, and, as the Target Company Shares are scheduled to remain listed even after the Tender Offer, to leave the decision of whether the shareholders should tender their shares in the Tender Offer to the shareholders.

For details on the above decision-making process by the Target Company’s board of directors, please refer to the Target Company Press Release and “(i) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer” in “(2) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer; and

Management Policies After the Tender Offer” below.

(2) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer; and Management Policies After the Tender Offer

(i) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer

The wholly-owning parent company of the Tender Offeror FamilyMart UNY HD’s predecessor FamilyMart Co., Ltd. (the “**Former FamilyMart**”) listed its shares on the Tokyo Stock Exchange in December 1987. In September 2016, a business integration through an absorption-type merger was implemented with UNY Group Holdings Co., Ltd. (at that time, listed on the First Section of the Tokyo Stock Exchange and the Nagoya Stock Exchange, Inc.), whereby the Former FamilyMart was the surviving company, and the Former FamilyMart became a pure holding company. The trade name was also changed to FamilyMart UNY Holdings Co., Ltd. FamilyMart UNY HD forms a corporate group, which consists of a total of 61 companies (i.e., FamilyMart UNY HD, 35 subsidiaries, and 25 affiliates and jointly controlled entities) (as of August 31, 2018) and has been running a convenience store business (the “**CVS Business**”) with a focus on FamilyMart Co., Ltd. (“**FamilyMart**”), a general merchandise store business (the “**GMS Business**”) with a focus on UNY, and businesses associated with those businesses.

The CVS Business has a network of approximately 17,000 stores in Japan. A change of brand from “Circle K Sunkus” to “FamilyMart” is taking place, and is expected to be completed in late November 2018. In addition, three major reforms (namely, “ready-made meal structural reforms,” “marketing reforms,” and “operational reforms”) are going ahead, and efforts are being made to further demonstrate the results of the integration.

Under the GMS Business, retail stores that adapt to the needs of customers in each region, such as general merchandise business “APiTA” and supermarket “PIAGO,” are deployed and managed, with the purpose of further enriching the livelihood of customers.

Meanwhile, the Target Company listed its shares on the Tokyo Stock Exchange in June 1998. The Target Company was established in September 1980 as JUST CO., LTD. for the purpose of wholesale sales and retail sales of commodities, but in order to sell first-rate goods to consumers at a cheaper price, in March 1989, the Target Company opened the Don Quijote Fuchu Store—its first store—in Fuchu city in Tokyo, and the main business format changed from wholesale to retail, and since the Target Company changed its trade name to Don Quijote Co., Ltd. in September 1995, the Target Company has rolled out 385 stores in Japan, 37 stores in the United States, and 2 stores in Singapore (as of September 30, 2018), focusing on discount stores where the “Don Quijote” brand plays a lead role. The Target Company became a pure holding company through a company split in December 2013, and changed its trade name to Don Quijote Holdings Co., Ltd. The Target Company currently constitutes a corporate group made up of 55 consolidated subsidiaries, 16 non-consolidated subsidiaries, 2 equity method affiliates, and 3 non-equity method affiliates (as of September 30, 2018), and operates retail business with the main business of developing and operating discount stores, such as “Don Quijote,” “Picasso,” and “MEGA Don Quijote,” and tenant leasing business that leases parts of stores that it owns to tenants.

The retail industry in Japan is continuing to experience a difficult business environment, being affected by a shrinking in market size due to the decline in the total population, the market becoming more harshly competitive with the increase in various business sectors such as an expansion of the e-commerce market, the continuing consumers’ cost consciousness, and labor shortages at stores and in logistics. In addition, consumer needs are becoming increasingly diverse and the selectiveness of consumers is becoming increasingly intense. In these circumstances, the retail business requires creation of attractive stores, diversification of sales channels, more superior product development and procurement, and competitive price setting, as well as more efficient management, such as making store operation efficient and streamlining sales channels.

In this strict business environment, FamilyMart UNY HD and the Target Company have a minimal competitive relationship in the retail business due to a different business focus for both company groups, and due to

anticipated cooperative business and mutual complementary outcomes that leverage each company's management resources, and distinctive strengths and know-how beyond the limits of the group, FamilyMart UNY HD and the Target Company commenced consideration of a business alliance between the companies on June 13, 2017. After that, FamilyMart UNY HD and the Target Company entered into a basic agreement on August 24, 2017 as a result of discussing the details of an alliance, including collaboration in the retail business, joint product development and procurement, streamlining of distribution functions, and collaboration on overseas markets and new business developments. At that time, the two companies decided that, in addition to promoting the business alliance, in order to accelerate the growth of GMS Business of FamilyMart UNY HD and to consequently improve the corporate value of UNY over the medium- to long-term, it is important for FamilyMart UNY HD to make use of the broad customer base including younger generations that are considered the Target Company's strength, its time-spending-type retail format with a lot of amusement features (not just the purchasing of products, but also stores where customers can enjoy spending their time with a sense of amusement), and its know-how on operating stores overnight and addressing inbound customer needs, while further enhancing UNY's existing strengths in its food and other business segments. They also concluded to improve the corporate value of the Target Company by incorporating into the group UNY, which has a large presence in Nagoya and the surrounds (which is considered one of the principal business regions in the future) and a member base to the scale of 5 million people, with families playing a lead role, and thus determined to not only cooperate through a business alliance, but also build a close partnership including a capital alliance. On August 31, 2017, FamilyMart UNY HD and the Target Company entered into a business alliance agreement, and on November 21, 2017, FamilyMart UNY HD transferred 40% of the 100% of UNY shares that it held to the Target Company.

In accordance with that business alliance agreement, UNY and the Target Company engaged in the development of stores using a joint name with FamilyMart UNY HD for six existing APiTA and PIAGO stores. After combining those six stores with UNY's food business, an existing strength, and the Target Company's know-how regarding time-spending-type stores with amusement features as a strength over the period from February through March 2018, those six stores were newly opened, after changing the store format to "MEGA Don Quijote UNY." In the six-month period from March through August 2018 (after their conversion), those six stores saw cumulative sales go from 6.8 billion yen in the same period of the previous year to 13.2 billion yen (an increase of 190%), and the cumulative average number of customers a day in the six stores went from approximately 20,000 people to approximately 32,000 people (an increase of 160%), showing considerable growth.

Recently, approximately one year passed since the commencement of the business alliance between FamilyMart UNY HD and the Target Company. FamilyMart UNY HD (which has confirmed the sound growth of UNY stores that converted their store format over the six months since their conversion through cooperation with the Target Company, which has strengths in know-how regarding the operation of large-scale retail stores) and the Target Company decided, as a result of discussions that commenced and continued from late August 2018 on how to structure the UNY capital relationship, that by creating a deeper partnership between the Target Company and UNY by UNY becoming a wholly-owned subsidiary of the Target Company and realizing further improvement of store operations and streamline and measures to swiftly respond to diversifying customer needs, it would be possible to further improve UNY's corporate value. On October 11, 2018, FamilyMart UNY HD and the Target Company decided that FamilyMart UNY HD transfer to the Target Company all remaining UNY shares held by FamilyMart UNY HD, and entered into the Share Purchase Agreement. For details on the Transfer and an outline of UNY and its major subsidiary UCS CO., LTD., please refer to the "Announcement of Planned Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd. (Code No. 7532) and Transfer of Shares Accompanied by Changes to Subsidiary" dated October 11, 2018. The plan and specific details of the business alliance after implementing the Tender Offer are scheduled to be discussed with the Target Company hereafter.

In addition, the cooperation between FamilyMart UNY HD and the Target Company is not limited to FamilyMart UNY HD's GMS Business, and collaboration is also implemented for the CVS Business. Specifically, in June 2018, FamilyMart Tachikawa Minami-dori, FamilyMart Otori Jinja Mae, and FamilyMart Setagaya Kamata 3-Chome were opened after renovation as joint test stores that take on the product lineup, shop formation, and

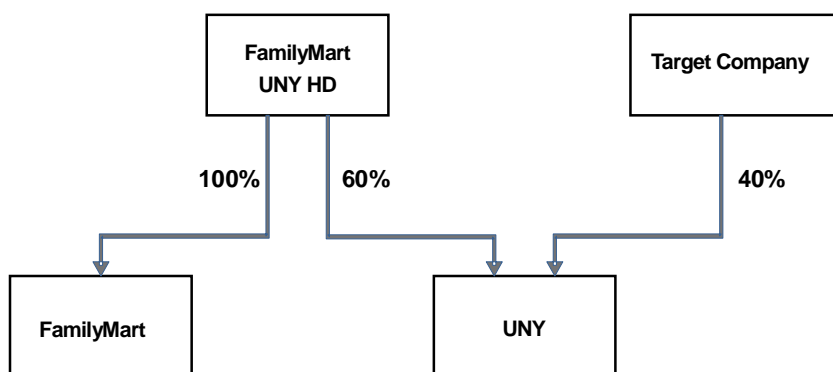
management techniques of Don Quijote stores and seek the “enjoyment of shopping.” The current promising results, such as better daily turnover than before the opening after renovation, have been achieved by expanding products that are both companies’ strengths.

From here on, the environment surrounding the retail business will become even more relentless through a reduced market scale resulting from a decrease in the total population and increased levels of labor costs due to labor shortages at stores and in distribution, and in a situation where the trend of selective consumption by consumers is becoming stronger, there is a greater need to provide consumers with more attractive products at more competitive prices. Therefore, more efficient operation, such as creation of attractive stores and diversification of sales outlets and more superior product development and procurement, and the effective application of management resources must be realized to a certain extent. In order to achieve that, FamilyMart UNY HD considers it essential to make some advances through the existing business alliance, and to further strengthen and unify its relationship with the Target Company group (including the new relationship with UNY) by investing the Target Company and making it an equity method affiliate, and nurture a distribution group that has a strong presence. The total sales of the Target Company, UNY, and FamilyMart is at the level of 4.7 trillion yen, and with future sharing of each company’s strengths and know-how, they will continue to go beyond its line of business, and by moving forward with joint product development, procurement, and sales outlets, competitiveness will increase, and earning power will strengthen. In addition, the goal will be to move forward with the collaboration in fields such as formulation of a customer base, such as data marketing, and financial services, and to provide more attractive products and services that meet the needs of the customer. Moreover, a joint overseas expansion is also being considered, with the investigation into utilizing the overseas network of FamilyMart UNY HD’s parent company, ITOCHU Corporation, together with FamilyMart UNY HD and the Target Company group.

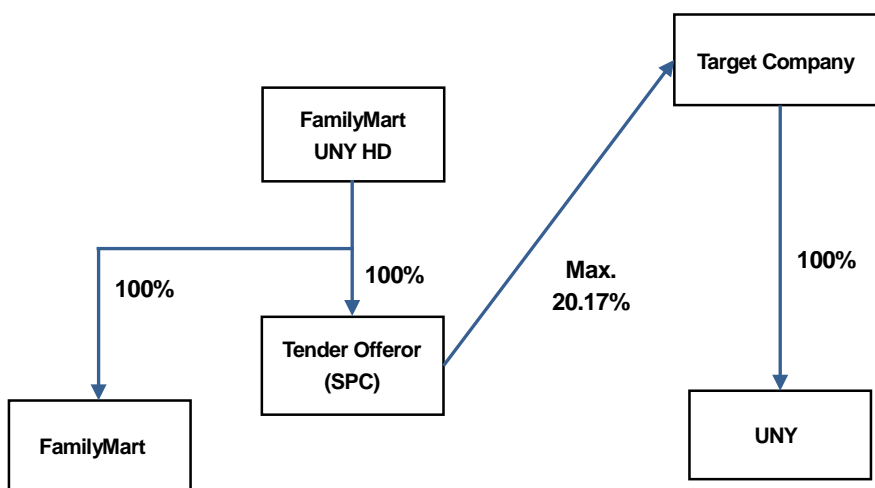
Based on that background, in early September 2018, FamilyMart UNY HD proposed to the Target Company the implementation of the Tender Offer, for the purpose of making the Target Company an equity method affiliate of FamilyMart UNY HD, which FamilyMart UNY HD carefully consulted on and considered with the Target Company. As a result of that consideration, FamilyMart UNY HD decided at the board of directors meeting held on October 11, 2018 to make its wholly-owned subsidiary acquire 32,108,700 shares of the Target Company Shares (Ownership Ratio: 20.17%) as the maximum number of shares to be purchased through the Tender Offer for the Target Company Shares for the purpose of making the Target Company an equity method affiliate. Also, the Tender Offeror decided today to commence the Tender Offer on November 7, 2018.

In addition, FamilyMart UNY HD also decided on the Transfer at the board of directors meeting held on October 11, 2018. The capital relationship between FamilyMart UNY HD, the Target Company, and UNY after implementation of the Tender Offer and the Transfer is as follows.

Currently



After the Transfer and the Tender Offer



Further, according to the Target Company Press Release, the decision-making process and reasons that led to the Target Company supporting the Tender Offer are as follows.

After the Target Company executed the business alliance agreement with FamilyMart UNY HD on August 31, 2017, the Target Company has continued to search out collaboration opportunities beyond the boundaries of the business categories of the discount store business, GMS Business, and CVS Business.

Under such business alliance agreement, the Target Company and UNY have engaged in the development of stores using a joint name for six existing APiTA and PIAGO stores. As a result, after combining those six stores with UNY's food business, an existing strength, and the Target Company's know-how regarding time-spending-type stores with amusement features as a strength over the period from February through March 2018, those existing types of UNY stores were newly opened, after changing the store format to "MEGA Don Quijote UNY." In the six-month period from March through August 2018 (after their conversion), those six stores saw cumulative sales go from 6.8 billion yen in the same period of the previous year to 13.2 billion yen (an increase of 190%), and the cumulative average number of customers a day in the six stores went from approximately 20,000 people to approximately 32,000 people (an increase of 160%), showing considerable growth. The results of the combined stores this time show that further strengthening of the collaboration with UNY using the case this time as a model case is promising.

In addition, the cooperation between the Target Company and FamilyMart UNY HD is not limited to the GMS Business, and collaboration is also being implemented for the CVS Business. In June 2018, three joint test stores in the FamilyMart model were opened in Tokyo metropolitan area, with a good command of know-how for a product lineup that meets the needs of the area and attractive selling spaces in compact displays, and seeking the

“enjoyment of shopping” of a physical store, and achieved the current promising results such as increasing daily turnover compared to before the reopening after renovation resulting from the offering of products that are both companies’ strengths.

As detailed above, the Target Company and FamilyMart UNY HD created a successful model in the collaboration between both companies through the business alliance from August 31, 2017.

However, taking a bird’s-eye-view of the retail industry as a whole, extensive changes in the operating environment are about to arrive, due to the impact of the further emergence of e-commerce and the continued decrease in birthrates and aging population. In order to survive this tough environment, the Target Company considers it indispensable to strengthen its systems to respond to sudden changes in the future by the Target Company, UNY, and FamilyMart creating an economic bloc on the scale of third place in domestic retail industry with total sales of 4.7 trillion yen (aggregated from investor relation materials of six companies in the retail business with sales over 1 trillion yen; the total amount of FamilyMart’s non-consolidated (including franchise store sales) and UNY’s non-consolidated total operating revenue was 3,728.8 billion yen in fiscal year ended February 28, 2018; the Target Company’s consolidated sales were 941.5 billion yen in the fiscal year ended June 30, 2018), and continuing to go beyond their line of business by sharing each company’s strengths and know-how.

Based on this background, in early September 2018, FamilyMart UNY HD proposed to the Target Company to implement the Tender Offer, for the purpose of making the Target Company an equity method affiliate of FamilyMart UNY HD, and the Target Company, FamilyMart UNY HD, and UNY carefully consulted on and considered an appropriate organizational format for the three companies from the point of view of demonstrating their synergy to the greatest extent. As a result, the Target Company has concluded that it would be indispensable to the continued improvement of the Target Company’s corporate value to go beyond the current business alliance with FamilyMart UNY HD to become an equity method affiliate of FamilyMart UNY HD, and, while sharing FamilyMart UNY HD’s and its parent company’s (ITOCHU Corporation) management resources, to further solidify the collaboration between the two companies and to work to strengthen their ability to grow and earning power as a single entity.

Therefore, the Target Company made a resolution by unanimous vote (including audit and supervisory committee members) at its board of directors meeting held on October 11, 2018 (i) to express its opinion as of the same date to the effect that it will support the Tender Offer if it is commenced, and (ii) to leave the decision of whether the Target Company shareholders should tender their shares in the Tender Offer to the Target Company shareholders, taking into account that it is recognized as sufficiently reasonable for the Target Company shareholders to choose to hold the Target Company Shares after the Tender Offer due to the Target Company Shares being scheduled to remain listed even after the Tender Offer, and a maximum number of shares to be purchased in the Tender Offer having been established. In addition, since the Tender Offer is scheduled to commence on the condition of certain matters, such as that the Target Company will resolve at a meeting of its board of directors to express an opinion that it supports the Tender Offer and that it will not make any resolution to withdraw that resolution or make any resolution that contradicts that resolution, and, as of October 11, 2018, certain details regarding the Tender Offer, including the details of the Tender Offeror were not settled, the Target Company’s board of directors had planned to make another resolution expressing its opinion of the Tender Offer at the time the Tender Offer commences. At the board of directors meeting for the above resolution, all 13 directors of the Target Company (including 4 outside directors) participated and came to the resolution by consensus of all directors (including audit and supervisory committee members).

As a result of further deliberation of the Tender Offer, the Target Company once again made a resolution at a meeting of its board of directors as of today (a) to support the Tender Offer considering that, after taking into consideration the changes in the market environment and other factors since the board of directors meeting of the Target Company held on October 11, 2018, there were no factors that would change its decision regarding the Tender Offer, and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Target Company Shares are scheduled to remain listed even after the Tender Offer. The above resolution by the board of directors was made by unanimous vote of the 13

directors of the Target Company (including 4 outside directors; also, including audit and supervisory committee members).

(ii) Management Policy After the Tender Offer

The Tender Offeror and FamilyMart UNY HD intends to strengthen its collaboration with the Target Company while keeping the Target Company's independence of management even after the Tender Offer. In addition, regarding the management structure and members of the board of directors of the Target Company after the Tender Offer, there are plans to dispatch at least one director from FamilyMart UNY HD to the Target Company, but other than that, no decision has been made at present (including other matters relating to personnel), and it will be discussed in the future.

(3) Material Agreements, etc. Related to the Tender Offer

FamilyMart UNY HD entered into the Share Purchase Agreement on October 11, 2018 with the Target Company. For details, please refer to "II. Transfer of Shares Resulting in Changes in the Subsidiary" in "Announcement of Planned Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd. (Code No. 7532) and Transfer of Shares Accompanied by Changes to Subsidiary" dated October 11, 2018.

(4) Measures Implemented in Connection with the Tender Offer

As of today, the Tender Offeror has taken the measures described below in connection with the Tender Offer.

(i) Obtaining a Stock Valuation Report from an Independent Third-party Valuation Firm by FamilyMart UNY HD

When determining the purchase price per share of the Target Company Shares in the Tender Offer (the "**Tender Offer Price**"), in order to ensure the fairness of the Tender Offer Price, FamilyMart UNY HD requested that Nomura Securities Co., Ltd. ("**Nomura Securities**"), a financial advisor to FamilyMart UNY HD, calculate the equity value of the Target Company Shares as a third-party valuation firm independent from the Tender Offeror, FamilyMart UNY HD, and the Target Company. Nomura Securities is not a related party of the Tender Offeror, FamilyMart UNY HD, or the Target Company and does not have any significant interest in the Tender Offer. FamilyMart UNY HD has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

Nomura Securities calculated the equity value of the Target Company Shares using the average market price method and the discounted cash flow method (the "**DCF Method**"), and FamilyMart UNY HD received the stock valuation report (the "**Stock Valuation Report**") from Nomura Securities on October 10, 2018.

For an outline of the Stock Valuation Report, please refer to "(i) Basis for Calculation" in "(4) Basis for Calculation of the Tender Offer Price" in "3. Outline of the Tender Offer, etc." below.

(ii) Advice from a Legal Advisor and Financial Advisors Independent from the Target Company

In order to ensure the transparency and fairness of the decision-making process, etc. of the Target Company's board of directors concerning the Tender Offer, the Target Company has appointed Nagashima Ohno & Tsunematsu as outside legal counsel, and Mizuho Bank, Ltd. and SMBC Nikko Securities Inc. as outside financial advisors, and received advice regarding the decision-making method, process, and other matters of note with respect to the Target Company's board of directors in relation to the Tender Offer.

(iii) Approval of All Directors of the Target Company (Including Audit and Supervisory Committee Members)

Based on the reasons and grounds detailed in "(i) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer; and Management Policies After the Tender Offer" above, the Target Company resolved by consensus of all directors (including audit and supervisory committee members) at the meeting of its

board of directors held on October 11, 2018 to support the Tender Offer if the Tender Offer commences as the opinion of the Target Company as of October 11, 2018. In addition, at that board of directors meeting of the Target Company, the resolution was also made to leave the decision of whether the Target Company's shareholders should tender their shares in the Tender Offer to the Target Company shareholders, taking into account that it is recognized as sufficiently reasonable for the Target Company shareholders to choose to hold the Target Company Shares after the Tender Offer due to the plan to keep the Target Company Shares listed even after the Tender Offer and a maximum number of shares to be purchased in the Tender Offer having been established.

Further, at the board of directors meeting held on October 11, 2018 for the above resolution, all 13 directors of the Target Company (including 4 outside directors) participated and came to the resolution by consensus of all directors (including audit and supervisory committee members).

As a result of further deliberation of the Tender Offer, the Target Company once again made a resolution by its board of directors as of today (a) to support the Tender Offer because it can be said that all of the conditions to support the Tender Offer have been satisfied (for details, please refer to the Target Company Press Release and "(i) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer; and Management Policies After the Tender Offer") and considering that, after taking into consideration the changes in the market environment and other factors since the board of directors meeting of the Target Company held on October 11, 2018, there were no factors that would change its decision regarding the Tender Offer, and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Target Company Shares are scheduled to remain listed even after the Tender Offer. The above resolution by the board of directors was made by unanimous vote of the 13 directors of the Target Company (including 4 outside directors; also, including audit and supervisory committee members).

Further, the Tender Offeror and FamilyMart UNY HD do not intend to delist the Target Company Shares through the Tender Offer, and plan to keep the Target Company Shares listed, even after the Tender Offer. Therefore, the Target Company has resolved to make a resolution to keep a neutral position and reserve its decision in relation to the validity of the Tender Offer Price. As such, the Target Company has not independently obtained a stock valuation report from a third-party calculation organization for the Tender Offer, and has not examined the appropriateness of the Tender Offer Price.

(5) Schedule for Additional Acquisition of Share Certificates, etc. After the Tender Offer

As detailed in "(1) Outline of the Tender Offer" and "(2) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer; and Management Policies After the Tender Offer" above, through the Tender Offer, the Tender Offeror and FamilyMart UNY HD plan to hold 20% or more of the number of voting rights of all shareholders of the Target Company, and to make the Target Company an equity method affiliate of FamilyMart UNY HD.

If FamilyMart UNY HD cannot acquire 20% of the number of voting rights of all of the Target Company's shareholders through the Tender Offer, it intends to additionally acquire the Target Company Shares by means of a market transaction or similar action in light of market trends and other circumstances. However, the details have not been decided at this point in time. As part of that additional acquisition, the Tender Offeror is considering borrowing the Target Company Shares from the asset management company of the founding family of the Target Company, and the Target Company's largest major shareholder DQ WINDMOLEN B.V. (number of shares owned: 23,407,000 shares (Ownership Ratio: 14.71%); the "Lender") and holding the voting rights to those shares, taking into consideration the results of the Tender Offer, market trends and other factors. Further, if the Tender Offeror carries out that borrowing, the Tender Offeror intends to return the shares to the Lender after acquiring the Target Company Shares as needed by means of a market transaction or similar action after executing that borrowing.

(6) Likelihood of Delisting and Reasons Therefor

The Target Company Shares are listed on the First Section of TSE as of today, and are not intended to be

delisted through the Tender Offer. FamilyMart UNY HD will conduct the Tender Offer through the Tender Offeror with the maximum number of shares to be purchased being 32,108,700 shares* (Ownership Ratio: 20.17%). Therefore, the Target Company Shares are expected to remain listed on the Tokyo Stock Exchange after the completion of the Tender Offer.

* The maximum number of shares to be purchased in the Tender Offer (32,108,700 shares) is the number of shares equivalent to 20.00% (20.30% of the number of voting rights of all shareholders of the Target Company) of 160,577,827 shares, which is:

- (a) the total number of issued shares (158,193,160 shares) as of September 30, 2018 stated in the Target Company Summary of Financial Results plus
- (b) the number of Target Company Shares (962,000 shares) that are the object of stock acquisition rights as of June 30, 2018 (9,791 units) stated in the Target Company Annual Securities Report *less* the reduced number of stock acquisition rights resulting from the exercise (164 units) and extinguishment (20 units) of the stock acquisition rights (total 184 units) reported by the Target Company as the source of fluctuations from July 1, 2018 until November 2, 2018 (i.e., 9,607 units), plus
- (c) the number of Target Company Shares granted (16,400 shares) for the stock acquisition rights exercised (164 units) as above and a fixed number of shares taking into consideration the possibility of a new issuance of the stock acquisition rights in the future (1,410,900 shares), *less*
- (d) the number of treasury shares held by the Target Company as of September 30, 2018 (4,633 shares) stated in the Target Company Summary of Financial Results.

3. Outline of the Tender Offer, etc.

(1) Outline of the Target Company

(i)	Name	Don Quijote Holdings Co., Ltd.
(ii)	Location	19-10, Aobadai 2-chome, Meguro-ku, Tokyo
(iii)	Name and Title of Representative	President and CEO (Representative Director) Koji Ohara Senior Managing Director and CAO (Representative Director) Naoki Yoshida
(iv)	Description of Business Activities	A holding company engaged in corporate planning and management of group companies, entrusted management of subsidiaries, management of real estate, etc.
(v)	Capital	22,436 million yen
(vi)	Date of Incorporation	September 5, 1980
(vii)	Major Shareholders and Ownership Percentages	CREDIT SUISSE AG HONG KONG TRUST A/C CLIENTS FOR DQ WINDMOLEN B. V. (14.80%) LA MANCHA HOLDINGS PTE LTD (6.38%) Japan Trustee Services Bank, Ltd. (Trust Account) (5.48%) Anryu Shoji Co., Ltd (5.23%) The Master Trust Bank of Japan, Ltd. (Trust Account) (3.96%) STATE STREET BANK AND TRUST COMPANY 505001 (3.76%) THE BANK OF NEW YORK MELLON 140044 (2.38%) Yasuda Scholarship Foundation (2.28%) STATE STREET BANK AND TRUST COMPANY 505225 (2.04%) JAPAN POST BANK Co., Ltd. (1.71%) *As of the end of June 2018
(viii)	Relationship Between the Listed Companies and the Target Company	
	Capital Relationship	No capital relationship of note between the two companies
	Personnel Relationship	No personnel relationship of note between the two companies

Business Relationship	No business relationship of note between the two companies
Status as Related Parties	Not Applicable

(2) Schedule, etc.

(i) Schedule

Date of public notice for commencement of the Tender Offer	November 7, 2018 (Wednesday) Electronic public notice is issued and the notice to that effect is posted in the Nihon Keizai Shimbun (Japanese only). (URL of electronic public notice: http://disclosure.edinet-fsa.go.jp/)
Submission date of tender offer registration statement	November 7, 2018 (Wednesday)

(ii) Tender Offer Period Originally Specified in the Registration Statement

November 7, 2018 (Wednesday) to December 19, 2018 (Wednesday) (30 business days)

(iii) Possibility of Extension Based on the Request of the Target Company

Not Applicable.

(3) Tender Offer Price

6,600 yen per share of common stock

(4) Basis for Calculation of the Tender Offer Price

(i) Basis for Calculation

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, FamilyMart UNY HD requested that Nomura Securities, a financial advisor to FamilyMart UNY HD, calculate the equity value of the Target Company Shares as a third-party valuation firm independent from the Tender Offeror, FamilyMart UNY HD, and the Target Company.

Nomura Securities calculated the equity value of the Target Company Shares using the average market price method and the DCF Method on the assumption that the Target Company is a going concern, as a result of considering calculation methods to be applied among several methods to evaluate the equity value, with the view that the equity value of the Target Company Shares should be evaluated from multiple viewpoints after reviewing the financial condition of the Target Company and trends in the market price of the Target Company Shares. FamilyMart UNY HD then received the Stock Valuation Report dated October 10, 2018 from Nomura Securities. Nomura Securities is not a related party of the Tender Offeror, FamilyMart UNY HD, or the Target Company and does not have any significant interest in the Tender Offer. FamilyMart UNY HD has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

According to Nomura Securities, the ranges of the per-share-value of the Target Company Shares calculated using the above methods are as follows:

Average market price method:	5,365 yen to 6,050 yen
DCF Method:	5,352 yen to 7,953 yen

The analysis under the average market price method demonstrates that the range of the per-share-value of the Target Company Shares is between 5,365 yen and 6,050 yen, on the basis that the closing price of the Target Company Shares on the First Section of TSE on the record date was 6,050 yen, a simple average of the closing prices on the previous five business days was 5,746 yen (rounded to the nearest whole number; same applies in the calculation of the simple average of the closing price below), a simple average of the closing prices in the previous

one month was 5,610 yen, a simple average of the closing prices in the previous three months was 5,365 yen, and a simple average of the closing prices in the previous six months was 5,498 yen, with October 10, 2018 as the record date.

The analysis under the DCF Method demonstrates that the range of the per-share-value of the Target Company Shares is between 5,352 yen and 7,953 yen, as a result of analyzing the corporate value and the equity value of the Target Company by discounting the free cash flow that is expected to be generated by the Target Company in the future in accordance with the Target Company's future profit prediction in or after the fiscal year ending June 30, 2019 with a certain discount rate, considering various factors such as the business plan from the fiscal year ending June 30, 2019 through the fiscal year ending June 30, 2023 provided by the Target Company and confirmed by FamilyMart UNY HD, recent trends in performance, and information publicly available.

Further, it is difficult to specifically calculate the synergy effects expected from performance of the Tender Offer and the Transfer at this point in time. Therefore, they are not included in the business plan that is the basis of the above calculations using the DCF Method. However, it is assumed that UNY will become the Target Company's wholly-owned subsidiary through the Transfer. The Target Company's business plan, which Nomura Securities used for the analysis based on the DCF Method, contains a fiscal year where a significant increase in earnings is expected. Specifically, operating income in the period from the fiscal year ended June 30, 2018 to the fiscal year ending June 20, 2019 is expected to increase drastically, but that is based on FamilyMart UNY HD considering the assumption that UNY becomes the Target Company's wholly-owned subsidiary through the Transfer. According to the Target Company, the impact of the Tender Offer and the Transfer on the Target Company's consolidated business results in the fiscal year ending June 30, 2019 as the Target Company's forecast performance for the current period is currently under close examination, and the Target Company will promptly make an announcement if any matter arises that should be announced after the Transfer is completed.

Based on the calculation details and results stated in the Stock Valuation Report, and comprehensively taking into account the results of the due diligence of the Target Company implemented from early September 2018 to early October 2018, whether or not the Target Company's board of directors supports the Tender Offer, trends in the market price of the Target Company Shares, the premiums added in share pricing in past cases of tender offers for share certificates, etc. by parties other than issuers, and the outlook for tenders for the Tender Offer, FamilyMart UNY HD decided on October 11, 2018 that the Tender Offer Price would be 6,600 yen. FamilyMart UNY HD subsequently confirmed that there are no material changes that are evident in aspects such as the Target Company's business condition or the environment surrounding the Tender Offer, and today, FamilyMart UNY HD decided that the Tender Offer Price will not change.

The Tender Offer Price is the amount obtained by discounting 2.37% from 6,760 yen (rounded to two decimal places; the same applies below to the value (%) of the discount and the premium on the share prices), which is the closing price of the Target Company Shares on the First Section of TSE on November 5, 2018, which is the business day immediately prior to today, discounting 1.08% from 6,672 yen, which is the simple average of closing prices in the month prior to the same date, adding a premium of 13.85% to 5,797 yen, which is the simple average of closing prices in the three months prior to the same date, and adding a premium of 16.83% to 5,649 yen, which is the simple average of closing prices in the six months prior to the same date, and by adding a premium of 9.09% to 6,050 yen, which is the closing price of the Target Company Shares on the First Section of TSE on October 10, 2018, which is the business day immediately prior to the announcement date of the Tender Offer, 17.65% to 5,610 yen, which is the simple average of closing prices in the month prior to the same date, 23.02% to 5,365 yen, which is the simple average of closing prices in the three months prior to the same date, and 20.04% to 5,498 yen, which is the simple average of closing prices in the six months prior to the same date, respectively.

(ii) Background of Calculation

Process of Determining the Tender Offer Price

In early September 2018, FamilyMart UNY HD proposed that the Target Company become an equity method affiliate by tender offer to strengthen both companies' relationship, and in early September 2018,

FamilyMart UNY HD appointed Nomura Securities as a financial advisor and third-party valuation firm independent from the Tender Offeror, FamilyMart UNY HD, and the Target Company, and Mori Hamada & Matsumoto as legal advisor, while the Target Company appointed Nagashima Ohno & Tsunematsu as legal advisor independent from the Tender Offeror, FamilyMart UNY HD, and the Target Company, in order to establish a structure for consultation and negotiation of the Tender Offer.

Subsequently, FamilyMart UNY HD conducted due diligence on the Target Company from early September 2018 to early October 2018. By early October 2018, FamilyMart UNY HD and the Target Company came to share the view that making the Target Company an equity method affiliate of FamilyMart UNY HD and further strengthening the relationship between the two companies and nurturing a distribution group that has a strong presence would have the potential to further joint product development, procurement, and sales promotion, promote collaboration in data marketing and financial services, as well as development of fields overseas, and enhance the corporate value of both companies over the medium- to long-term. After that, on October 9, 2018, FamilyMart UNY HD made a proposal to the Target Company regarding an outline of the conditions of the Tender Offer, including the Tender Offer Price of 6,600 yen. Then, FamilyMart UNY HD, at the board of directors meeting held on October 11, 2018, decided to implement the Tender Offer for the purpose of making the Target Company an equity method affiliate, and determined the Tender Offer Price of 6,600 yen against the background described below.

(A) Name of the Third Party Requested for Opinion on the Calculation

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, FamilyMart UNY HD requested that Nomura Securities, a financial advisor, calculate the equity value of the Target Company Shares as a third-party valuation firm independent from the Tender Offeror, FamilyMart UNY HD, and the Target Company, and the Stock Valuation Report was received from Nomura Securities on October 10, 2018. FamilyMart UNY HD has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

(B) Outline of the Opinion

Nomura Securities calculated the equity value of the Target Company Shares using the average market price method and the DCF Method, and the following are the ranges of the per-share-value of the Target Company Shares calculated using each of those methods.

Average market price method:	5,365 yen to 6,050 yen
DCF Method:	5,352 yen to 7,953 yen

(C) Process of Determination of the Tender Offer Price Based on the Opinion

Based on the calculation details and results stated in the Stock Valuation Report, and comprehensively taking into account factors such as the results of the due diligence of the Target Company, whether or not the Target Company's board of directors supports the Tender Offer, trends in the market price of the Target Company Shares, the premiums added in share pricing in past cases of tender offers for share certificates, etc. by parties other than issuers, and the outlook for tenders for the Tender Offer, FamilyMart UNY HD decided at the board of directors meeting held on October 11, 2018 that the Tender Offer Price would be 6,600 yen. For details, please refer to "(i) Basis for Calculation" above. FamilyMart UNY HD subsequently confirmed that there are no material changes that are evident in aspects such as the Target Company's business condition or the environment surrounding the Tender Offer, and today, FamilyMart UNY HD determined that the Tender Offer Price will not change.

(iii) Relationship with the Valuation Firm

Nomura Securities (valuation firm), a financial advisor to FamilyMart UNY HD, is not a related party of the Tender Offeror, FamilyMart UNY HD, or the Target Company and does not have any significant interest in the Tender Offer.

(5) Number of Share Certificates, etc. Scheduled to be Purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
32,108,700 shares	—	32,108,700 shares

- *1 If the total number of Tendered Share Certificates is equal to or less than the maximum number of shares to be purchased (32,108,700 shares), all of the Tendered Share Certificates will be purchased. If the total number of Tendered Share Certificates exceeds the maximum number of shares to be purchased (32,108,700 shares), all or part of that excess portion will not be purchased, and delivery and other settlement with respect to the purchase of share certificates, etc. will be handled on a proportionate basis, which is provided for in Article 27-13, Paragraph 5 of the Act and Article 32 of the Ordinance.
- *2 Shares of less than one unit are also subject to the Tender Offer. If shareholders exercise their right to request that the Target Company repurchase their shares of less than one unit in accordance with the Companies Act (Act No. 86 of 2005, as amended), the Target Company may purchase those shares during the period of purchase, etc. under the Tender Offer (the “**Tender Offer Period**”) pursuant to the procedures under laws and regulations.
- *3 The treasury shares held by the Target Company will not be purchased through the Tender Offer.
- *4 It is possible that the stock acquisition rights might be exercised before the last day of the Tender Offer Period, and in such case, the Target Company Shares issued or delivered by that exercise are subject to the Tender Offer.

(6) Change in the Ownership Ratio of Share Certificates, etc. as a Result of the Purchase

Number of voting rights pertaining to share certificates, etc. owned by the Tender Offeror before the purchase	— units	(Ownership Ratio of share certificates, etc. before the purchase) —%
Number of voting rights pertaining to share certificates, etc. owned by the special related parties before the purchase	0 units	(Ownership Ratio of share certificates, etc. before the purchase) 0.00%
Number of voting rights pertaining to share certificates, etc. owned by the Tender Offeror after the purchase	321,087 units	(Ownership Ratio of share certificates, etc. after the purchase) 20.17%
Number of voting rights pertaining to share certificates, etc. owned by the special related parties after the purchase	0 units	(Ownership Ratio of share certificates, etc. after the purchase) 0.00%
Number of voting rights of all shareholders of the Target Company	1,581,706 units	

- *1 The “Number of voting rights pertaining to share certificates, etc. owned by the special related parties before the purchase” and the “Number of voting rights pertaining to share certificates, etc. owned by the special related parties after the purchase” indicate the total number of voting rights of share certificates, etc. owned by each special related party (excluding parties excluded from special related parties in accordance with Article 3, Paragraph 2, Item 1 of the Ordinance in the calculation of the ownership ratio of the share certificates, etc. under each item of Article 27-2, Paragraph 1 of the Act).
- *2 The “Number of voting rights of all shareholders of the Target Company” is the number of voting rights (those described as 100 shares of 1 unit) held by all shareholders as of June 30, 2018 detailed in the Target Company Annual Securities Report. However, as shares of less than one unit and the Target Company Shares issued or delivered by exercise of the Target Company’s stock acquisition rights are the object of the purchase in the Tender Offer, the “Ownership Ratio of share certificates, etc. before the purchase” and “Ownership Ratio of share certificates, etc. after the purchase” are calculated using the number of voting rights (1,591,699 units) regarding the number of shares calculated below (159,166,927 shares) as the denominator:
- (a) the total number of issued shares (158,193,160 shares) as of September 30, 2018 stated in the Target Company Summary of Financial Results plus
- (b) the number of Target Company Shares (962,000 shares) that are the object of stock acquisition rights as

of June 30, 2018 (9,791 units) in the Target Company Annual Securities Report *less* the reduced number of stock acquisition rights resulting from the exercise (164 units) and extinguishment (20 units) of the stock acquisition rights (total 184 units) reported by the Target Company as the source of fluctuations from July 1, 2018 until November 2, 2018 (i.e., 9,607 units), plus

- (c) the number of Target Company Shares granted (16,400 shares) for the stock acquisition rights exercised (164 units) as above, less
- (d) the number of treasury shares held by the Target Company as of September 30, 2018 stated in the Target Company Summary of Financial Results (4,633 shares).

*3 The “Ownership Ratio of share certificates, etc. before the purchase” and the “Ownership Ratio of share certificates, etc. after the purchase” have been rounded to two decimal places.

(7) Purchase Price 211,917,420,000 yen

* The purchase price is calculated by multiplying the number of shares to be purchased in the Tender Offer (32,108,700 shares) by the Tender Offer Price (6,600 yen).

(8) Method of Settlement

(i) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank, etc. that Settles the Purchase

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

(ii) Commencement Date of Settlement

December 27, 2018 (Thursday)

(iii) Method of Settlement

After the expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the address of the tendering shareholders (or the standing proxy in the case of non-Japanese shareholders) without delay.

The purchase is made for cash. After the commencement date of settlement, the tendering shareholders may receive the purchase price for the Tender Offer without delay in a manner that they designate, such as remittance. (Remittance fees may be charged).

(iv) Method of Returning Share Certificates, etc.

If it is decided that all or part of the Tendered Share Certificates are not purchased pursuant to the conditions stated in “(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details Thereof” and “(ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal, etc.” in “(9) Other Conditions and Procedures of the Tender Offer” below, the share certificates, etc. to be returned will be returned promptly after two business days following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the day when the withdrawal was made) by restoring such share certificates, etc. to the state immediately before the tender application on the tendering shareholders’ accounts at the Tender Offer Agent. (If a tendering shareholder wishes to transfer its share certificates, etc. to the account of the tendering shareholder held at another financial instruments business operator, etc., please contact the head office or a branch office in Japan of the Tender Offer Agent that accepted the tender application.)

(9) Other Conditions and Procedures of the Tender Offer

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

If the total number of Tendered Share Certificates is equal to or less than the maximum number of shares to be purchased (32,108,700 shares), all the Tendered Share Certificates will be purchased.

If the total number of Tendered Share Certificates exceeds the maximum number of shares to be purchased (32,108,700 shares), all or part of that excess amount will not be purchased, and delivery and other settlement with respect to the purchase of share certificates, etc. will be handled on a proportionate basis as provided in Article 27-13, Paragraph 5 of the Act and Article 32 of the Ordinance. (If each number of Tendered Share Certificates

contains fractional shares of less than one unit (100 shares), the number of shares to be purchased that is calculated on a proportionate basis will be limited to the number of Tendered Share Certificates.)

If the total number of shares to be purchased from each tendering shareholder, which is calculated by rounding off amounts of less than one unit resulting from the calculation on a proportionate basis, is less than the maximum number of shares to be purchased, one more unit of Tendered Share Certificates (or up to the number of Tendered Share Certificates if the additional unit is purchased and the total number of shares exceeds the number of Tendered Share Certificates) will be purchased from each tendering shareholder in descending order beginning with the tendering shareholder who owns the greatest number of rounded-off shares until the total number of shares purchased is equal to or greater than the maximum number of shares to be purchased. However, if purchases from all the tendering shareholders who own an equal number of rounded-off shares by this method causes an excess of the maximum number of shares to be purchased, a lottery will be used to decide from which shareholder the shares will be purchased among the relevant tendering shareholders within a range where the resultant total number of shares purchased is no less than the maximum number of shares to be purchased.

If the total number of shares to be purchased from each tendering shareholder, which is calculated by rounding off amounts of less than one unit resulting from the calculation on a proportionate basis, exceeds the maximum number of shares to be purchased, one unit of shares (or a portion of shares of less than one unit if the number of shares to be purchased that was calculated on a proportionate basis has such a portion) will be decreased from the number of shares to be purchased from each tendering shareholder in descending order beginning with the tendering shareholder who owns the greatest number of rounded-up shares until the total number of shares to be purchased is no less than the maximum number of shares to be purchased. However, if decreases from all the tendering shareholders who own an equal number of rounded-up shares causes the number to fall below the maximum number of shares to be purchased, a lottery will be used to decide from which shareholder the number of shares to be purchased will be decreased among the relevant tendering shareholders within a range where the resultant total number of shares purchased is no less than the maximum number of shares to be purchased.

- (ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal, etc.

If any event listed in Article 14, Paragraph 1, Items 1(1) through 1(9) and Items 1(12) through 1(18), Items 3(1) through 3(8) and 3(10), and Article 14, Paragraph 2, Items 3 through 6 of the Order occurs, the Tender Offer may be withdrawn. With respect to the Tender Offer, the “facts equivalent to those listed in Items 3(1) through 3(9)” set out in Article 14, Paragraph 1, Item 3(10) of the Order refers to (i) the case where any of the statutory disclosure documents filed by the Target Company in the past is found to contain a false statement of material fact or omit a statement of material fact that should have been stated, and (ii) the case where a fact listed in Article 14, Paragraph 1, Items 3(1) through 3(7) of the Order occurs with respect to an important subsidiary of the Target Company.

In order to withdraw the Tender Offer, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the method stipulated in Article 20 of the Ordinance and immediately issue a public notice thereafter.

- (iii) Conditions to Reduce Purchase Price, Details Thereof, and Method of Disclosure of Reduction

In accordance with Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company conducts any act listed in Article 13, Paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, Paragraph 1 of the Ordinance. In order to reduce the purchase price, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the method stipulated in Article 20 of the Ordinance and immediately issue a public notice thereafter. If the purchase price is reduced, Tendered Share Certificates that were tendered on or

before the date of the public notice are also purchased at the reduced purchase price.

(iv) Matters Concerning Tendering Shareholders' Rights to Cancel Their Agreements

The tendering shareholders may cancel their agreements on the Tender Offer at any time during the Tender Offer Period. If a tendering shareholder wishes to cancel the agreement, the tendering shareholder must deliver or mail a written notice stating its intention to cancel the agreement on the Tender Offer (the “**Cancellation Notice**”) to the head office or a branch office in Japan of the Tender Offer Agent that accepted the tender application by no later than 3:30 p.m. on the last day of the Tender Offer Period. In the case of mail, the cancellation is conditional on the Cancellation Notice reaching the recipient by no later than 3:30 p.m. on the last day of the Tender Offer Period.

In order to cancel the agreement for which a tendering shareholder applied through the online service, the tendering shareholder must cancel the agreement via the online service (<https://hometrader.nomura.co.jp/>) or deliver or mail the Cancellation Notice. In the case of cancellation via the online service, the tendering shareholder must complete the cancellation procedures no later than 3:30 p.m. on the last day of the Tender Offer Period, following the instructions shown on the relevant screens. The tendering shareholder may not cancel the agreement made at the offices of the Tender Offer Agent via the online service. In the case of delivery or mailing of the Cancellation Notice, the tendering shareholder must request in advance that the relevant office issue the form of the Cancellation Notice and deliver or mail it to the office no later than 3:30 p.m. on the last day of the Tender Offer Period. In the case of mail, the cancellation is conditional on the Cancellation Notice reaching the recipient by no later than 3:30 p.m. on the last day of the Tender Offer Period.

The Tender Offeror will not make any claim for damages or a penalty payment to the tendering shareholders due to the cancellation of their agreement. In addition, the Tender Offeror will bear the cost of returning the Tendered Share Certificates to the tendering shareholders.

(v) Method of Disclosure in Case of Change in the Purchase Terms of the Tender Offer

The Tender Offeror may change the purchase terms of the Tender Offer during the Tender Offer Period unless such change is prohibited under Article 27-6, Paragraph 1 of the Act and Article 13, Paragraph 2 of the Order. If the Tender Offeror wishes to change the purchase terms, it will issue an electronic public notice regarding the details of the change and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the method stipulated in Article 20 of the Ordinance and immediately issue a public notice thereafter. If the purchase terms have been changed, Tendered Share Certificates that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

(vi) Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Chief of the Kanto Local Finance Bureau (except as prescribed in the proviso of Article 27-8, Paragraph 11 of the Act), the Tender Offeror will immediately make an announcement on the details described in the amendment statement relating to those described in the public notice of the commencement of the Tender Offer, by the method stipulated in Article 20 of the Ordinance. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement of the Tender Offer to the tendering shareholders to whom the explanatory statement of the Tender Offer has already been delivered. However, if the scope of the amendment is limited, the amendment may be made by preparing a document stating the reason for the amendment and the subject matters before and after the amendment, and delivering the document to the tendering shareholders.

(vii) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be announced on the day following the last day of the Tender Offer Period using the method stipulated in Article 9-4 of the Order and Article 30-2 of the Ordinance.

(10) Date of Public Notice of Commencement of the Tender Offer
November 7, 2018 (Wednesday)

(11) Tender Offer Agent
Nomura Securities Co., Ltd. 9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

4. Policies After the Tender Offer, Future Outlook, and Forecast of Impact on Business Results

(1) Policies After the Tender Offer, etc.

Please refer to “(2) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer; and Management Policies After the Tender Offer”, “(5) Schedule for Additional Acquisition of Share Certificates, etc. After the Tender Offer”, and “(6) Likelihood of Delisting and Reasons Therefor” in “2. Purpose of the Tender Offer, etc.” above for the policies after the Tender Offer.

(2) Forecast of Impact on Business Results

The impact of the Tender Offer on FamilyMart UNY HD’s consolidated results in the fiscal year ending February 28, 2019 is currently being assessed, but if there are matters that should be announced, the Company will promptly announce those matters.

Reference Consolidated Results Forecast for Fiscal Year Ending February 2019 (March 1, 2018 to February 28, 2019) (Announced October 11, 2018) and Consolidated Results for Previous Period (International Accounting Standards)

	Operating Revenue	Business Income	Profit Before Tax	Net Profit Attributable to Owner of Parent Company	Basic net profit per share
Consolidated performance forecast for current period (Fiscal year ending February 2019)	1,270,200 million yen	77,300 million yen	67,100 million yen	40,000 million yen	316.12 yen
Performance for previous period (Fiscal year ended February 2018)	1,275,300 million yen	66,250 million yen	28,639 million yen	33,656 million yen	265.82 yen

(Note) The above forecast is based on information currently in the Company’s possession and certain assumptions deemed reasonable, and are not intended to form a promise by the Company that those forecasts will be achieved. In addition, the actual performance may differ greatly to the above parameters depending on the circumstances.

5. Other Information

(1) Agreements Between the Tender Offeror and the Target Company or its Directors and Company Auditors and Details Thereof

(i) Expression of Support of the Tender Offer

As detailed in “(i) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer” in “(2) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer; and Management Policies After the Tender Offer” in “2. Purpose of the Tender Offer, etc.” and “(iii) Approval of All Directors of the Target Company (Including Audit and Supervisory Committee Members)” in “(4)

Measures Implemented in Connection with the Tender Offer” above, the Target Company resolved by consensus of all directors at the meeting of its board of directors held on October 11, 2018 to, as the opinion of the Target Company as of that date, support the Tender Offer if the Tender Offer commences. In addition, at that board of directors meeting of the Target Company, the resolution was also made to leave the decision of whether the Target Company’s shareholders should tender their shares in the Tender Offer to the Target Company shareholders, taking into account that it is recognized as sufficiently reasonable for the Target Company shareholders to choose to hold the Target Company Shares after the Tender Offer due to the plan to keep the Target Company Shares listed even after the Tender Offer and a maximum number of shares to be purchased in the Tender Offer having been established. In addition, because the Tender Offer is scheduled to commence on the condition of certain matters detailed above, and as of October 11, 2018, certain details regarding the Tender Offer, including the details of the Tender Offeror, were not settled, the Target Company’s board of directors had planned to make another resolution at a meeting of its board of directors expressing its opinion of the Tender Offer at the time the Tender Offer commences.

The Target Company once again made a resolution by its board of directors as of today to support the Tender Offer and to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Target Company Shares will remain listed even after the Tender Offer.

For details on the decision-making process by the Target Company’s board of directors, please refer to the Target Company Press Release and “(i) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer” in “(2) Background, Purpose, and Decision-making Process of the Decision to Conduct the Tender Offer; and Management Policies After the Tender Offer” in “2. Purpose of the Tender Offer, etc.” and “(iii) Approval of All Directors of the Target Company (Including Audit and Supervisory Committee Members)” in “(4) Measures Implemented in Connection with the Tender Offer” above.

(ii) Share Purchase Agreement

FamilyMart UNY HD entered into the Share Purchase Agreement on October 11, 2018 with the Target Company. For the details, please refer to “II. Transfer of Shares Resulting in Changes in the Subsidiary” in the Press Release “Announcement of Planned Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd. (Code No. 7532) and Transfer of Shares Accompanied by Changes to Subsidiary” dated October 11, 2018.

(2) Other Information Deemed Necessary for Investors to Determine Whether to Tender their Shares in the Tender Offer

(i) Summary of Consolidated Financial Results (Japanese Standards) for the First Quarter of the Fiscal Year Ending June 30, 2019

The Target Company has announced the Summary of Consolidated Financial Results (Japanese Standards) for the First Quarter of the Fiscal Year Ending June 30, 2019 today. The profits and losses of the Target Company for that period based on the announcement are as follows. The first quarter summary of financial results is not subject to the audit procedure under Article 193-2, Paragraph 1 of the Act. Incidentally, the outline of the contents of the announcement shown below is an excerpt from the announcement made by the Target Company, and the Tender Offeror and FamilyMart UNY HD are not in a position to independently verify its accuracy and credibility, and have not actually undertaken such verification. For details, please see the contents of the announcement.

A. Profits and Losses (Consolidated)

Accounting period	Consolidated Cumulative First Quarter of FY Ending June 30, 2019 (from July 1, 2018 to September 30, 2018)
Sales	250,080 million yen
Sales costs	183,348 million yen
Non-operating revenue	4,375 million yen
Non-operating expenses	961 million yen
Quarterly net profit attributable to shareholders of parent company	11,646 million yen

B. State per Share (Consolidated)

Accounting period	Consolidated Cumulative First Quarter of FY Ending June 30, 2019 (from July 1, 2018 to September 30, 2018)
Net quarterly profit per share	73.62 yen
Dividends per share	- yen
Net assets per share	1,855.74 yen

End of announcement

Solicitation Regulations

This Press Release is to publicly announce the Tender Offer, and was not prepared for the purpose of soliciting a tender for a sale. If you intend to tender an offer to sell shares in the Tender Offer, please make sure that you refer to the Tender Offer Explanatory Document regarding the Tender Offer in advance, and tender shares at your own discretion. This Press Release is not a tender for or solicitation for a tender for a sale of securities, or a solicitation for a tender for a purchase of securities, and does not constitute a part of the foregoing. In addition, this Press Release (or any part of it) and any distribution hereof will not be the basis for any agreement concerning the Tender Offer, nor will it be relied upon when executing an agreement.

U.S. Regulations

The Tender Offer will be carried out in compliance with the procedures and information disclosure criteria set out in Japan's Financial Instruments and Exchange Act, and those procedures and criteria are not necessarily the same as the procedures and criteria in the U.S. In particular, Section 13(e) and Section 14(d) of the United States Securities Exchange Act of 1934 (as amended; the "U.S. Securities Exchange Act of 1934") and rules set out under those sections do not apply to the Tender Offer, and the Tender Offer does not act in accordance with those procedures and criteria. In addition, the Tender Offeror and the Target Company are incorporated outside of the U.S. and their directors and company auditors reside outside of the U.S. Therefore, it may be difficult to exercise rights and claims that may be asserted in accordance with U.S. securities-related laws. Further, it is possible that a suit may not be filed in a court outside of the U.S. against any company or its directors or company auditors outside of the U.S. as a result of a breach of a U.S. securities-related law. In addition, there is no guarantee that a company or its subsidiary or affiliate outside of the U.S. may be subject to the jurisdiction of a U.S. court.

All procedures in relation to the Tender Offer are carried out in Japanese, unless specifically stated. All or part of the documents in relation to the Tender Offer will be prepared in English, but if there is any discrepancy between the English and the Japanese documents, the Japanese document will prevail. Financial statements referred to in this Press Release are prepared in accordance with Japan's accounting standards, and are not necessarily the same financial statements for U.S. companies.

The Tender Offeror and its related parties, and the related parties of each financial advisor may, within the scope of ordinary business and within the scope permitted under Japan's laws and regulations related to financial instruments and other applicable laws and regulations, purchase or carry out acts for the purchase of the Target Company's shares through means other than the Tender Offer before commencement of the Tender Offer or during the Tender Offer Period in accordance with the requirements under Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934 for their own or for their customers' accounts. If any information in relation to such purchase is disclosed in Japan, that information will also be disclosed in English on the website of the party that carried out that purchase.

Future Prospects

This Press Release may contain forward-looking terms such as "expect," "assume," "intend," "plan," "believe," and "suppose," including matters in relation to the future business of the Company and other companies. These terms are based on the business outlook of the Company at present and may therefore change depending on the future conditions. Accordingly, the Company is not obligated to update these terms in relation to the information in this Press Release to reflect actual business results or any changes in various circumstances and conditions.

This Press Release includes "forward-looking statements" defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Actual results may greatly differ from explicit or implied predictions stated as "forward-looking statements" due to known and unknown risks, uncertainty, and other factors. The Tender Offeror and related parties, including affiliates, may not promise that explicit or implied predictions, etc. stated as "forward-looking statements" will ultimately be accurate. "Forward-looking statements" stated in this Press Release are prepared based on information held by the Tender Offeror as of the date of this Press Release. The Tender Offeror and related parties, including affiliates, bear no obligation to update or revise those statements to reflect future events or conditions, unless required under law or regulation.

Other Countries

In some countries or regions, the release, issuance, or distribution of this Press Release may be restricted by relevant laws. In that case, please keep such restrictions in mind and comply with them. This Press Release does not constitute a solicitation for a tender for a sale or purchase of share certificates in relation to the Tender Offer, and is deemed solely as a distribution of material for information purposes.