December 5, 2014

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

ITOCHU Corporation
(Code No. 8001, Tokyo Stock Exchange, 1st Section)
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Notice of the Commencement of a Tender Offer by ITOCHU Corporation's Consolidated Subsidiary (ITOCHU Food Sales and Marketing Co., Ltd.)

ITOCHU Corporation's consolidated subsidiary ITOCHU Food Sales and Marketing Co., Ltd., announced today that its Board of Directors resolved to acquire the shares of common stock of THE OSAKA DAIICHI RICE DEAL CO., LTD., through a tender offer as stated in the attachment.

Further, the effect of the said tender offer on the business results of ITOCHU is immaterial.

Summary of the Consolidated Subsidiary Making the Tender Offer

(1)	Name	ITOCHU Food Sales and Marketing Co., Ltd.
(2)	Location	21st Floor, Shin-Aoyama Building West Wing, 1-1-1, Minami Aoyama, Minato-ku, Tokyo, Japan
(3)	Name and Position of Representative	Hideyori Kondo, President & CEO
(4)	Business Lines	Domestic marketing of food materials such as sweeteners, wheat, fats and oils, rice, confectionary ingredients, and beverage ingredients
(5)	Capital	¥400 million

(Attachment)
Disclosure documents of ITOCHU Food Sales and Marketing Co., Ltd.

"Notice of the Commencement of a Tender Offer for Share Certificates, etc., of THE OSAKA DAIICHI RICE DEAL CO., LTD."

(Attachment)

December 5, 2014

To whom it may concern

Company name: ITOCHU Food Sales and Marketing Co., Ltd.
Representative: Hideyori Kondo, President & CEO

Notice of the Commencement of a Tender Offer for Share Certificates, etc., of THE OSAKA DAIICHI RICE DEAL CO., LTD.

ITOCHU Food Sales and Marketing Co., Ltd. (the "Tender Offeror," "ITOCHU Food Sales and Marketing," or the "Company") announced today that its Board of Directors resolved on December 5, 2014, to acquire the share certificates, etc., of THE OSAKA DAIICHI RICE DEAL CO., LTD. (the "Target Company") through a Tender Offer as follows.

1. Purpose, etc., of the Tender Offer

(1) Outline of the Tender Offer

ITOCHU Food Sales and Marketing currently holds 8,014 shares of common stock of the Target Company (the Shareholding Ratio:*[1] 48.92% (rounded to two decimal places, same for ratios hereafter)) and is the largest shareholder of the Target Company. On this occasion, aiming to make the Target Company, which is an equity-method associated company of the Company, its wholly owned subsidiary, the Company resolved at a meeting of its Board of Directors convened on December 5, 2014, to implement the Tender Offer with a view to acquiring all issued shares of the Target Company (but excluding shares of treasury stock owned by the Target Company).

For the Tender Offer, the Company has not established a minimum limit or a maximum limit of the number of shares to be purchased and shall purchase all the tendered share certificates, etc. Further, because the Company aims to make the Target Company a wholly owned subsidiary, if the Company is unable to acquire all issued shares of common stock of the Target Company (but excluding shares of treasury stock owned by the Target Company) through the Tender Offer, and if the number of tendered share certificates, etc., exceeds the threshold number of shares,*[2] the Company plans to request the Target Company to implement procedures ("Procedures to Make the Target Company a Wholly Owned Subsidiary") to enable the Company to acquire all issued shares of common stock of the Target Company (but excluding shares of treasury stock owned by the Target Company) and plans to implement transactions (the "Transactions") to make the Target Company a wholly owned subsidiary of the

Company. For details of the Procedures to Make the Target Company a Wholly Owned Subsidiary, please refer to “(4) Policy on Reorganization, etc., after the Tender Offer (items relating to so called two-stage acquisition).” Further, the Company is not the controlling shareholder of the Target Company. However, in light of the fact that the Company is the largest shareholder and owns 8,014 shares of common stock of the Target Company (Shareholding Ratio: 48.92%), the Company has taken measures to ensure the fairness of the Tender Offer and given consideration to the interests of minority shareholders. For details, please refer to “(Measures to Ensure the Fairness of Purchase Price and to Avoid Conflicts of Interest and Measures to Ensure the Fairness of the Tender Offer),” “2) Calculation Process,” “(4) Basis of Calculation of the Tender Offer Price,” “2. Outline of the Tender Offer” below.

According to the Target Company’s announcement “Notice of the Announcement of an Opinion on a Tender Offer by ITOCHU Food Sales and Marketing Co., Ltd., for Shares of THE OSAKA DAIICHI RICE DEAL CO., LTD.” (the “Target Company’s Announcement”), released on December 5, 2014, the Target Company resolved at a meeting of its the Board of Directors convened on December 5, 2014, to release an opinion concurring with the Tender Offer made by the Company, and also resolved to recommend the shareholders of the Target Company to apply for the Tender Offer. This resulted from arriving at the conclusion that becoming a wholly owned subsidiary of the Company and integrating business management with the Company will enable the Target Company to address the pressing issue of establishing a collaborative system that reflects a rapidly changing market environment and enable the heightening of competitiveness within the industry and the enhancement of business results. Furthermore, it was judged that the “Tender Offer Price” is appropriate and will provide shareholders of the Target Company a reasonable opportunity to sell shares in light of comprehensive consideration of the fact that (i) because the Target Company is an unlisted company and opportunities to transfer the Target Company’s shares are restricted, providing transfer opportunities to shareholders is necessary and the fact that (ii) and the tender offer price (the “Tender Offer Price”) is within the scope of the result of the calculation based on the discounted cash flow method (the “DCF Method”) of the share valuation report acquired from the certified public accountant Keigo Kimura (“Share Valuation Report”) for the Target Company’s shares, is above the acquisition price of the Target Company’s shares (¥50,000 per share) for general shareholders, and is not below the previous tender offer (the “Previous Tender Offer”) (A definition is in “(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer” below.) price (¥52,000 per share).

For details of the above-mentioned resolution of the Board of Directors of the Target Company, please refer to “c) Approval by All Directors of the Target Company That Do

Not Have a Conflict of Interest and Statements of No Objection by All Corporate Auditors” in “2) Calculation Process,” “(4) Basis of Calculation of the Tender Offer Price,” “2. Outline of the Tender Offer” below.

Further, the articles of incorporation of the Target Company stipulate that acquisition through transfer of shares of the Target Company requires the approval of the Board of Directors. However, regarding the purchase of shares tendered for the Tender Offer, the Target Company approved a resolution permitting the Company’s acquisition of the said shares, based on the condition of the achievement of the Tender Offer, at a meeting of the Board of Directors of the Target Company convened on December 5, 2014.

*1 The Shareholding Ratio is the ratio of the number of shares held by the Company to the total number of issued shares of the Target Company as of March 31, 2014 (16,383 shares), stated in the security report for the 14th term filed by the Target Company on June 26, 2014.

*2 The threshold number of shares is 2,896 shares. The number of voting rights associated with the total number of shares (10,910 shares), which results from adding the number of shares of common stock of the Target Company that the Company owns (8,014 shares) to the threshold number of shares, represents 66.67% of the voting rights of all shareholders. (Voting rights of all shares, 16,365 voting rights, (note 2) have been used as the denominator to calculate “Shareholding Ratio of Share Certificates, etc., before the Tender Offer” and “Shareholding Ratio of Share Certificates, etc., after the Tender Offer” included in “(6) Changes in the Shareholding Ratio of Share Certificates, etc., as a Result of the Tender Offer” in “2. Outline of the Tender Offer” below.)

(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer

The Company is a wholly owned subsidiary of ITOCHU Corporation (“ITOCHU”) and is engaged in the import and domestic marketing of food materials such as sweeteners, wheat, fats and oils, rice, confectionary ingredients, and beverage ingredients. The Company’s predecessor I-FOODS Co., Ltd., was engaged in the import and domestic marketing of food materials. However, in October 2011, this company merged with ITOCHU’s wholly owned subsidiary ITOCHU Rice Corporation (“ITOCHU Rice”), which marketed rice and bread food materials, and has operated as ITOCHU Food Sales and Marketing since then.

The Target Company’s main businesses are rice sales and processing operations centered on Osaka Prefecture, and the Target Company was founded as Osaka Daiichi Shokuryo Jigyo Kyodo Kumiai in 1951. In 2000, this company was reorganized, and THE OSAKA DAIICHI RICE DEAL was established.

From the ITOCHU Rice era, the Company's rice headquarters built a business model that basically involved not engaging in rice milling operations as much possible and contracting major rice millers in each region to engage in rice milling operations. However, in order to increase sales to convenience stores, general merchandising stores, and restaurants further and realize further growth going forward, increasing the flexibility of rice milling operations and strengthening price competitiveness have become indispensable. The Company has changed its policy in the direction of advancing capital alliances with companies that it contracts to engage in rice milling. Based on this policy and aiming to further strengthen the Company's relationship with the Target Company, which was a contractor of the Company with which it had an existing favorable relationship, the Company used its August 2009 acquisition through a negotiated transaction of 1,640 shares of common stock (Shareholding Ratio: 10.01%) of the Target Company that a major shareholder of the Target Company owned as an opportunity to conclude a memorandum of understanding in June 2011 about an operational alliance among three companies: ITOCHU Rice, ITOCHU, and the Target Company.

Since then, the Company has aimed to stabilize the Target Company's business management foundations and strengthen the operational alliance and realize even greater enhancement of development and corporate value than previously by investing in the Target Company. To these ends, the Company acquired 1,378 shares of treasury stock (Shareholding Ratio: 8.41%) that the Target Company owned through a private placement by the Target Company and 104 shares of common stock (Shareholding Ratio: 0.63%) of the Target Company from shareholders through negotiated transactions in March 2012 and acquired 1,451 shares of treasury stock (Shareholding Ratio: 8.86%) that the Target Company owned through a private placement by the Target Company in February 2013 (In each case, the acquisition price was ¥50,000 per share.). In this way, through acquisition in stages, the Company has advanced initiatives aimed at expanding, improving, and developing the business management foundations of both companies. In February 2013, The Company owned 4,573 shares (Shareholding Ratio: 27.91%), and the Target Company has become an equity-method associated company of the Company. In March 2014, to further strengthen the capital alliance between the two companies, the Company acquired 3,441 shares of common stock of the Target Company (Shareholding Ratio: 21.00%) through a tender offer (The tender offer period was from December 26, 2013, to February 21, 2014, the acquisition price was ¥52,000 per share ("the Previous The Tender Offer").), giving the Company the 8,014 shares (Shareholding Ratio: 48.92%) that it currently owns.

However, the rice industry continues to face a challenging market environment due to such factors as a declining birth rate and an aging population, lower sales volumes, falling sales prices, and inventory surpluses. This environment is expected to become increasingly challenging due to new reform of rice distribution channels as a result of the expansion of direct transactions with production areas and Internet sales. Also, the structure of agriculture is changing conspicuously due to such factors as the abolition of Measures for Farm Management Stabilization (formerly the Individual Income Support Allowance System for Farmers), reform of rice production adjustment (the abolition of acreage reduction measures), efforts to resolve the problem of deserted arable land, and agricultural reform policies such as the establishment of intermediary management bodies for agricultural areas. Consequently, moves are emerging aimed at reforming the central-meeting system that the Central Union of Agricultural Cooperatives leads and reforming the organization of the National Federation of Agricultural Cooperative Associations. The Target Company has been implementing business management efforts to responds to these issues. However, fundamental reform of business management aimed at ensuring the Target Company’s survival in the industry has become an urgent necessity.

Given the respective conditions, since approximately May 2014 the Company and the Target Company have been discussing the further strengthening of their operational alliance to enable the mutual sharing of each company’s advantages and business management strategies to ensure the continuation of the business and the establishment of an earnings base in the medium-to-long term. As a result of this, it was concluded that increasing and advancing the operational alliance of the Company and the Target Company even further to respond to a rapidly changing environment and overcome many urgent issues and the building of even rapider and robuster systems for mutual cooperation in all aspects of operations, including purchasing, production, and sales, would help further enhance the corporate value of both companies.

Specifically, it was agreed that with regard to purchasing consideration is needed of measures to establish a cooperative system so that both companies can purchase stably and efficiently and implement further cost reductions. As for sales, it was agreed consideration is needed of measures to build new purchasing routes in response to the declining goods-collection rates of systems and measures to secure sales volumes and earnings amid declining domestic demand for rice. Further, from the viewpoint of heightening both companies’ competitiveness and maintaining and enhancing operations, it was agreed that it is necessary to tackle measures collaboratively in the areas of production, distribution, and quality control to further reduce production costs by ensuring production operations are above certain levels, measures to build new distribution in response to increasing distribution costs, and to implement rigorous quality control aimed at food safety and reliability. Subsequently, the companies continued discussions. It was decided that to intensify the companies' alliance and rapidly realize these measures without fail while exploiting each other's operational advantages, the best approach was to advance the building of systems for mutual cooperation to establish integrated business management with the Target Company as a wholly owned subsidiary of the Company, and in September 2014 the companies concluded that the Company would acquire additional shares of the Target Company.

As a result of the above-mentioned considerations, a meeting of the Company's the Board of Directors convened on December 5, 2014, approved a resolution to implement the Tender Offer with a view to making the Target Company a wholly owned subsidiary. The Target Company would like to maintain and develop its business by deepening collaboration, strengthening corporate competitiveness, and accelerating the creation of new businesses through integrated business management with the Company.

Aiming to set out the conditions for further advancing their capital alliance and to advance their mutual operational alliance and expand and develop their respective business management foundations, the Company and the Target Company concluded a "Memorandum of Understanding on Operational Alliance" on November 13, 2014, a summary of which is as follows.

(a) The Company and the Target Company will share information related to purchasing and reform purchasing routes, and both companies will realize stable purchasing and reduce purchasing costs and inventory risk.

(b) The Company and the Target Company will share information and strategies related to sales, sales volumes will increase, and the Target Company's plants will secure handling volumes above certain volumes.

(c) The Company and the Target Company will ensure the operating rates of the Target Company's plants are above certain levels, and they will both secure earnings by reducing production costs.

(d) Both companies will collaborate in the preparation of each other's medium-to-long-term strategies, they will invest in the renewal of plants compatible with strategies and implement new investments, and they will reduce fund-raising costs associated with these capital expenditures.

(e) The Company will respect the independence of the Target Company and respect the intentions of the Target Company with respect to the composition of directors.

Further, to ensure that they enjoy the above-mentioned benefits, both companies shall discuss and decide both companies' specific business strategies after the Target Company becomes a wholly owned subsidiary of the Company. However, even after the Target Company becomes a wholly owned subsidiary, the Company will fully realize the characteristics of the Target Company's business and the Target Company's strengths and strengthen the Target Company's business. Further, regarding the composition of the Target Company's directors and other business management systems after the Target Company becomes a wholly owned subsidiary, while respecting the independence of the Target Company's business management, the Company plans to consider an optimal system that will enable the Company and the Target Company to enjoy synergy benefits.

In addition, Takashi Ochi was dispatched from the Company to the Target Company as a director. However, Takashi Ochi was transferred to the Target Company in June 2014. At present, the Company has not dispatched any executives to the Target Company. Further, regardless of whether or not applications are received that exceed the threshold number of shares, the Company does not plan to dispatch executives to the Target Company after the achievement of the Tender Offer.

(3) Measures to Ensure the Fairness of Purchase Price and to Avoid Conflicts of Interest and Measures to Ensure the Fairness of the Tender Offer

The Company is not the controlling shareholder of the Target Company. However, in light of the fact that the Company is the largest shareholder and owns 8,014 issued shares of common stock of the Target Company (Shareholding Ratio: 48.92%), the Company has taken the following measures to ensure the fairness of the Tender Offer.

1) Acquisition of a Share Valuation Report from a Third-Party Valuation Institution Independent of the Company
2) Acquisition of a Share Valuation Report from a Third-Party Valuation Institution Independent of the Target Company
3) Approval by All Directors of the Target Company That Do Not Have a Conflict of Interest and Statements of No Objection by All Corporate Auditors
4) The Company's Securing of Objective Conditions to Ensure the Appropriateness of the Tender Offer Price

For details about the above-mentioned, please refer to "1) Basis of Calculation" and "2) Calculation Process" in "(4) Basis of Calculation of the Tender Offer Price," "2. Outline of the Tender Offer" below.

(4) Policy on Reorganization, etc., after the Tender Offer (items relating to so called two-stage acquisition)

As stated in “(1) Outline of the Tender Offer” above, the Company intends to make the Target Company a wholly owned subsidiary. If the Company is unable to acquire all issued shares of common stock of the Target Company (excluding shares of treasury stock owned by the Target Company) through the Tender Offer, and if the number of tendered share certificates, etc., exceeds the threshold number of shares, promptly after the achievement of the Tender Offer the Company plans to acquire all issued shares of common stock of the Target Company (excluding shares of treasury stock owned by the Target Company) using the following method.

Specifically, if in the Tender Offer the number of tendered share certificates, etc., exceeds the threshold number of shares, after the achievement of the Tender Offer the Company plans to request the Target Company to hold an extraordinary general meeting of shareholders (“the General Meeting of Shareholders”) that includes the following three points as resolutions for deliberation. These three points are: (i) The Target Company shall become a company with class shares pursuant to the Companies Act (Act No. 86 of 2005. Including subsequent amendments. Same hereafter) by amending its articles of incorporation to authorize the issuance of a class of shares other than shares of common stock; (ii) After amendment in accordance with (i) above, the Target Company shall make an additional partial amendment to its articles of incorporation, namely it shall amend its articles of incorporation so that all shares of common stock that the Target Company issues are subject to a wholly call provision (pursuant to the Companies Act, Article 108, Paragraph 1, Item 7. Same hereafter); and (iii) The Target Company shall issue the different class shares of the Target Company in exchange for an acquisition of all shares of common stock of the Target Company that are subject to the said wholly call provision.

If the General Meeting of Shareholders approves the proposal submitted for deliberation as stated in (i) above, and the partial amendment to its articles of incorporation in relation to (i) above becomes effective, the Target Company shall become a company with class shares pursuant to the Companies Act. For the partial amendment to the articles of incorporation as stated in (ii) above to become effective, based on Article 111, Paragraph 2, Item 1 of the Companies Act, the approval of the General Meeting of Shareholders of the proposal submitted for deliberation as stated in (ii) above and the approval of a general meeting of shareholders with class shares (“the General Meeting of Shareholders with Class Shares”) comprising shareholders owning the Target

Company's shares of common stock subject to the wholly call provision is necessary. Accordingly, the Company plans to request the Target Company to hold, on the same date as the date of the General Meeting of Shareholders, a General Meeting of Shareholders with Class Shares that includes the partial amendment to the articles of incorporation as stated in (ii) above as a proposal submitted for deliberation. Further, if the proposals stated above are included in the agendas for the General Meeting of Shareholders and the General Meeting of Shareholders with Class Shares, the Company plans to vote in favor of each of the proposals above at the General Meeting of Shareholders and the General Meeting of Shareholders with Class Shares.

Upon the implementation of the procedures as stated in (i) through (iii) above, all shares of common stock issued by the Target Company shall be subject to the wholly call provision and acquired in their entirety by the Target Company, and different class shares of the Target Company shall be issued to the Target Company's shareholders as a consideration for this acquisition. However, to those Target Company shareholders who would receive a fraction of one share in the number of shares of the Target Company to be issued, money equivalent to the amount obtainable through the sale of the total of the fractions of the shares of the Target Company to the Tender Offeror (any fraction of one share in the total shall be rounded down) shall be paid pursuant to the procedures of Article 234 of the Companies Act and other relevant laws and ordinances. After the sales price of shares of the Target Company equivalent to the total of the fractions of shares is calculated, to ensure that amount of money paid to each shareholder as a result of the said sale is equal to the Tender Offer Price, it is planned to file a petition with the court for permission for sale by private contract. In addition, the details and number of the shares of the Target Company to be issued as consideration for the acquisition of the Target Company's shares of common stock subject to the wholly call provision have not yet been determined as of today. However, to ensure that the Company owns all issued shares of the Target Company, it is planned to reach a decision so that the number of shares of the Target Company issues to the Target Company's shareholders (other than the Company) who did not apply to the Tender Offer will be fractions of one share.

With respect to the provisions under the Companies Act that aim to protect the rights of minority shareholders related to each of the procedures in (i) through (iii) above, if a resolution to acquire all shares of common stock of the Target Company subject to the wholly call provision described in (iii) above is approved at the General Meeting of Shareholders, it is stipulated that shareholders may petition for a determination of the price for the acquisition of the relevant shares pursuant to Article 172 of the Companies Act and other relevant laws or ordinances. If this method is used, the acquisition price per share shall ultimately be determined by the court.
In addition, with respect to the amendment of the articles of incorporation described in

(ii) above, it is stipulated that shareholders may request the purchase of shares owned by them pursuant to Articles 116 and 117 of the Companies Act and other relevant laws or ordinances. However, with respect to this method, if acquisition through the wholly call provision comes into effect, the shareholders may be deemed to have lost their qualification to file the petition for the determination of the purchase price pursuant to Article 117, Paragraph 2 of the Companies Act. If a petition or request is made by any of the methods above, the shareholders must take responsibility for confirming and deciding with respect to the necessary procedures and other related matters.

Further, the Tender Offer is not a solicitation for the endorsement of shareholders of the Target Company in the General Meeting of Shareholders or the General Meeting of Shareholders with Class Shares. In addition, shareholders should take responsibility for consulting tax experts with respect to tax matters relating to applying to the Tender Offer or the respective procedures above.

If applications for the Tender Offer equal to or higher the threshold number of shares are not received, the Company does not plan continue procedures to make the Target Company a wholly owned subsidiary. Further, in such an eventuality, at the present juncture the Company does not plan to acquire additional shares of the Target Company.

(5) Matters Relating to Material Agreements for Application to the Tender Offer between the Tender Offeror and the Shareholders of the Target Company
Not applicable.

2. Outline of the Tender Offer
(1) Outline of the Target Company

1)	Name	THE OSAKA DAIICHI RICE DEAL CO., LTD.	
2)	Location	3-7-12, Sakuragawa, Naniwa-ku, Osaka, Japan	
3)	Name and Position of Representative	Katsuichi Ichimaru, President & CEO	
4)	Business Lines	Rice wholesaling and processing operations mainly and wholesaling business for food products, beverages, household products, and fuel related to these operations	
5)	Capital	¥819,150,000	
6)	Date of Incorporation	July 25, 2000	
7)	Major Shareholders	ITOCHU Food Sales and Marketing Co., Ltd.	48.92%

	and Percentage of Shareholdings (as of March 31, 2014)	TableMark Co., Ltd.	5.01%
		National Federation of Agricultural Cooperative Associations	1.53%
		THE OSAKA DAIICHI RICE DEAL Directors' Shareholding Association	1.01%
		TEMMA SHOKURYO K.K.	0.35%
		Toshio Tsujii	0.29%
		Toshihiko Yokoyama	0.27%
		Bunichi Ishibashi	0.26%
		Ceide.co.Ltd	0.26%
		Mitsuko Suda	0.24%
		Yoshikazu Mizuno	0.24%
		Masue Matsushita	0.24%
8)	Relationships between the Company and the Target Company		
	Capital Relationship	The Company holds 8,014 shares of the common stock of the Target Company (48.92% of the total number of issued shares of the Target Company as of March 31, 2014 (16,383 shares), stated in the security report for the 14th term filed by the Target Company on June 26, 2014).	
	Personal Relationship	Takashi Ochi was dispatched from the Company to the Target Company as a director. However, Takashi Ochi was transferred to the Target Company in June 2014.	
	Transactional Relationship	The Company sells raw materials to the Target Company and purchases products from the Target Company.	
	Status as a Related Party	The Company is a major shareholder of the Target Company and is therefore considered a related party of the Target Company.	

(2) Schedule, etc.

1) Schedule

Resolution by Board of Directors	December 5, 2014 (Friday)
Date of Public Notice of the Commencement of the Tender Offer	December 8, 2014 (Monday) A public notice shall be issued electronically and the fact that this notice has been issued shall be published in the *Nihon Keizai Shimbun*. (address of the electronically issued public notice: http://disclosure.edinet-fsa.go.jp/)
Date of Filing the Tender Offer Explanatory Statement	December 8, 2014 (Monday)

2) Initial Tender Offer Period in the Explanatory Statement

From December 8, 2014 (Monday) to January 27, 2015 (Tuesday) (30 business days)

3) Possibility of Extending the Period upon Request of the Target Company

None

(3) The Tender Offer Price

¥52,000 per share of common stock

(4) Basis of Calculation of the Tender Offer Price

1) Basis of Calculation

In determining the Tender Offer Price, in order to ensure the fairness of the purchase price of the Tender Offer, the Company requested, SMBC Nikko Securities Inc.(“SMBC Nikko Securities”), a third-party valuation institution independent of the Company and the Target Company, to calculate the share value of the Target Company’s shares of common stock. Further, SMBC Nikko Securities is not a related party of the Company or the Target Company and does not have any material conflict of interest with respect to the Tender Offer.

From among several methods of calculating the share value, upon consideration of the method appropriate for calculating the share value of the Target Company’s shares of common stock, based on the assumption that the Target Company is a going concern, SMBC Nikko Securities calculated the share value of the Target Company’s shares of common stock by using the DCF Method. The Company obtained a Share Valuation Report relating to the result of calculating the share value of the Target Company’s shares of common stock from SMBC Nikko Securities on December 4, 2014. Further, the Company has not obtained an opinion about the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities. The range of the value per share of the common stock of the Target Company calculated by SMBC Nikko Securities using the above-mentioned method is as follows.

DCF Method: ¥17,511~¥63,851

Using the DCF Method, corporate value and share value were analyzed by discounting the free cash flows that the Target Company is expected to generate in future—which were based on examination of business plans related to the Target Company, business result trends until recently and forecasts of future earnings of the Target Company in the fiscal year ending in March 2015 and beyond—at a certain discount rate to give their present values. Based on this analysis, the range of the value per share of the common stock of the Target Company is from ¥17,511 to ¥63,851.

With reference to the result of the calculation of the share value of the Target Company's shares of common stock by SMBC Nikko Securities and in light of comprehensive consideration of such factors as the results of deliberations and negotiations with the Target Company, whether or not the Target Company's Board of Directors concurred with the Tender Offer, and the expected number of applications for the Tender Offer, the Company ultimately decided on a Tender Offer Price of ¥52,000 on December 5, 2014.

Further, in August 2009, the Company acquired through a negotiated transaction 1,640 shares of common stock (Shareholding Ratio: 10.01%) of the Target Company that a major shareholder of the Target Company owned; in March 2012, the Company acquired 1,378 shares of treasury stock (Shareholding Ratio: 8.41%) that the Target Company owned through a private placement by the Target Company and 104 shares of common stock (Shareholding Ratio: 0.63%) of the Target Company from shareholders through negotiated transactions; and in February 2013, the Company acquired 1,451 shares of treasury stock (Shareholding Ratio: 8.86%) that the Target Company owned through a private placement by the Target Company at ¥50,000 per share in each case. The said price was determined through an agreement among the related parties, and the said price differs from the Tender Offer Price by ¥2,000.

Further, in the Previous Tender Offer the Company acquired 3,441 shares of common stock (Shareholding Ratio: 21.00%) of the Target Company at ¥52,000 per share. As with the Previous Tender Offer price, the Company decided on the Tender Offer Price in light of comprehensive consideration of such factors as the results of deliberations and negotiations with the Target Company, whether or not the Target Company's Board of Directors concurred with the Tender Offer, and the expected number of applications for the Tender Offer, and the Previous Tender Offer price does not differ from the Tender Offer Price.

2) Calculation Process
(Process of arriving at a decision on the Tender Offer Price)
The rice industry continues to face a challenging market environment due to such factors as a declining birth rate and an aging population, lower sales volumes, falling sales prices, and inventory surpluses. This environment is expected to become increasingly challenging due to new reform of rice distribution channels as a result of the expansion of direct transactions with production areas and Internet sales. Also, the structure of agriculture is changing conspicuously due to such factors as the abolition of Measures for Farm Management Stabilization (formerly the Individual Income Support Allowance System for Farmers), reform of rice production adjustment (the abolition of acreage reduction measures), efforts to resolve the problem of deserted arable land, and agricultural reform policies such as the establishment of intermediary management bodies for agricultural areas. Consequently, moves are emerging aimed at reforming the central-meeting system that the Central Union of Agricultural Cooperatives leads and reforming the organization of the National Federation of Agricultural Cooperative Associations. The Target Company has been implementing business management efforts to responds to these issues. However, fundamental reform of business management aimed at ensuring the Target Company's survival in the industry has become an urgent necessity.

Given the respective conditions, since approximately May 2014 the Company and the Target Company have been discussing the further strengthening of their operational alliance to enable the mutual sharing of each company's advantages and business management strategies to ensure the continuation of the business and the establishment of an earnings base in the medium-to-long term. As a result of this, it was concluded that increasing and advancing the operational alliance of the Company and the Target Company even further to respond to a rapidly changing environment and overcome many urgent issues and the building of even rapider and robuster systems for mutual cooperation in all aspects of operations, including purchasing, production, and sales, would help further enhance the corporate value of both companies.

Subsequently, the companies continued discussions. It was decided that to intensify the companies' alliance and rapidly realize these measures without fail while exploiting each other's operational advantages, the best approach was to advance the building of systems for mutual cooperation to establish integrated business management with the

Target Company as a wholly owned subsidiary of the Company, and in September 2014 the companies concluded that the Company would acquire additional shares of the Target Company.

A meeting of the Company's Board of Directors convened on December 5, 2014, decided to implement the Tender Offer with a view to making the Target Company a wholly owned subsidiary of the Company and decided the Tender Offer Price through to following process.

(i) Name of the third party that provided an opinion regarding the calculation

In determining Tender Offer Price, in order to ensure the fairness of the purchase price of the Tender Offer, the Company requested SMBC Nikko Securities, a third-party valuation institution independent of the Company and the Target Company, to calculate the share value of the Target Company's shares of common stock.

(ii) Summary of the opinion

SMBC Nikko Securities calculated the share value of the Target Company's shares of common stock by using the DCF Method. The Company obtained a Share Valuation Report relating to the result of calculating the share value of the Target Company's shares of common stock from SMBC Nikko Securities on December 04, 2014. Further, the Company has not obtained an opinion about the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities. The range of the value per share of the common stock of the Target Company calculated by SMBC Nikko Securities using the above-mentioned method is as follows.

DCF Method: ¥17,511~¥63,851

(iii) Process of determining the Tender Offer Price based on the opinion

With reference to the result of the calculation of the share value of the Target Company's shares of common stock by SMBC Nikko Securities and in light of comprehensive consideration of such factors as the results of deliberations and negotiations with the Target Company, whether or not the Target Company's Board of Directors concurred with the Tender Offer, and the expected number of applications for the Tender Offer, the Company ultimately decided on a Tender Offer Price of ¥52,000 on December 5, 2014.

(Measures to Ensure the Fairness of Purchase Price and to Avoid Conflicts of Interest and Measures to Ensure the Fairness of the Tender Offer)

The Company is not the controlling shareholder of the Target Company. However, in light of the fact that the Company is the largest shareholder and owns 8,014 issued shares of common stock of the Target Company (Shareholding Ratio: 48.92%), the

Company has taken the following measures to ensure the fairness of the Tender Offer.

a) Acquisition of a Share Valuation Report from a Third-Party Valuation Institution Independent of the Company

In determining Tender Offer Price, in order to ensure the fairness of the purchase price of the Tender Offer, the Company requested SMBC Nikko Securities, a third-party valuation institution independent of the Company and the Target Company, to calculate the share value of the Target Company's shares of common stock. Further, SMBC Nikko Securities is not a related party of the Company or the Target Company and does not have any material conflict of interest with respect to the Tender Offer.

For a summary of the Share Valuation Report relating to the result of calculating the share value of the Target Company's shares of common stock that the Company acquired from SMBC Nikko Securities, please refer to "1) Basis of Calculation" above.

b) Acquisition of a Share Valuation Report from a Third-Party Valuation Institution Independent of the Target Company

According to the Target Company, in order to consider the Tender Offer Price that the Company presented to it and decide on a statement of opinion about the Tender Offer Price, the Target Company, as a measure to ensure fairness and objectivity, requested a third-party independent of the Company and the Target Company, the certified public accountant Keigo Kimura, to calculate the share value of the Target Company's shares of common stock. Further, the certified public accountant Keigo Kimura is not a related party of the Company or the Target Company and does not have any material conflict of interest with respect to the Tender Offer.

After consideration from among multiple share value calculation methods of the appropriate calculation method to be adopted for the calculation of the share value of the shares of common stock of the Target Company, the certified public accountant Keigo Kimura calculated the share value of the Target Company's shares of common stock based on the assumption that the Target Company is a going concern and based on business plans the Target Company provided, interviews with the Target Company's management team, and the outlook for the Target Company's future business results from the fiscal year ending March 31, 2015, which took into consideration of a range of factors including recent business results trends and generally published information, and by using the DCF Method. The Target Company acquired the Share Valuation Report from Keigo Kimura on November 7, 2014. Further, the Target Company has not obtained an opinion about the fairness of the Tender Offer Price (fairness opinion) from Keigo Kimura.

The range of the value per share of the common stock of the Target Company calculated using the above-mentioned method is as follows.

DCF Method: ¥21,890~¥56,262

Using the DCF Method, corporate value and share value were analyzed by discounting the free cash flows that the Target Company is expected to generate in future—which were based on forecasts of future earnings of the Target Company in the fiscal year ending in March 2015 and beyond and with March 31, 2014, as a record date—at a certain discount rate to give their present values. Based on this analysis, the range of the value per share of the common stock of the Target Company is from ¥21,890 to ¥56,262. Furthermore, in relation to financial forecasts based on the Target Company's business plans that were used for the assumptions of the DCF Method, the certified public accountant Keigo Kimura did not allow for the synergy benefits expected to be realized through the implementation of the Transactions because, at that juncture, specific estimates were difficult.

c) Approval by All Directors of the Target Company That Do Not Have a Conflict of Interest and Statements of No Objection by All Corporate Auditors

According to the Target Company's Announcement, the Target Company resolved at a meeting of its the Board of Directors convened on December 5, 2014, to release an opinion concurring with the Tender Offer made by the Company, and also to recommend the shareholders of the Target Company to apply for the Tender Offer. This resulted from arriving at the conclusion that becoming a wholly owned subsidiary of the Company and integrating business management with the Company will enable the Target Company to address the pressing issue of establishing a collaborative system that reflects a rapidly changing market environment and enable the heightening of competitiveness within the industry and the enhancement of business results. Furthermore, it was judged that the Tender Offer Price is appropriate and will provide shareholders of the Target Company a reasonable opportunity to sell shares in light of comprehensive consideration of the fact that (i) because the Target Company is an unlisted company and opportunities to transfer the Target Company's shares are restricted, providing transfer opportunities to shareholders is necessary and the fact that (ii) and the Tender Offer Price is within the scope of the result of the calculation based on the DCF Method of the Share Valuation Report for the Target Company's shares, is above the acquisition price of the Target Company's shares (¥50,000 per share) for general shareholders, and is not below the previous tender offer (the "Previous Tender

Offer") price (¥52,000 per share).

All five directors of the Target Company attended the said meeting of the Board of Directors, and all the attending directors decided unanimously on the above-mentioned resolutions. Further, all three of the Target Company's corporate auditors (of whom two are outside corporate auditors) attended the said meeting of the Board of Directors, and each stated no objection to the above-mentioned resolutions.

d) The Company's Securing of Objective Conditions to Ensure the Appropriateness of the Tender Offer Price

The Company has set the term of the Tender Offer (the "Tender Offer Period"), which is legally stipulated to be at minimum 20 business days, to be 30 business days. In this way, through the setting of a relatively long Tender Offer Period, the Company has sought to ensure the fairness of the Tender Offer by providing the shareholders of the Target Company with an appropriate amount of time and opportunities to reach decisions on application for the Tender Offer while securing opportunities for parties other than the Company to make opposing tender offers.

Further, to ensure that opportunities for tender offers by parties other than the Company are not unfairly restricted, the Company and the Target Company have given consideration to ensuring the fairness of the Tender Offer by not concluding any agreement restricting the Target Company's contact with parties other than the Company that are proposing opposing tender offers and by securing opportunities for opposing tender offers through the setting of the above-mentioned the Tender Offer Period.

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

Number to Be Purchased	Minimum Limit of Number to Be Purchased	Maximum Limit of Number to Be Purchased
8,351 shares	- shares	- shares

Notes:

1. For the Tender Offer, the Company has not established a minimum limit or a maximum limit of the number of shares to be purchased and shall purchase all the tendered share certificates, etc. The "Number to Be Purchased" column above states the maximum number of share certificates, etc., of the Target Company that the Tender Offeror shall acquire through the Tender Offer. The said maximum number of shares is the total number of issued shares of the Target Company as of March 31, 2014 (16,383 shares), stated in the security report for the 14th term filed by the Target Company on June 26,

2014, net of the shares of common stock of the Target Company that the Tender Offeror owns as of today (8,014 shares) and the treasury stock that the Target Company owns (18 shares)..

2. Through the Tender Offer, the Company does not plan to acquire the shares of treasury stock owned by the Target Company.

3. Also, cross-held shares are subject to the Tender Offer.

(6) Changes in the Shareholding Ratio of Share Certificates, etc., as a Result of the Tender Offer

Number of voting rights represented by share certificates, etc., held by the Company before the Tender Offer	8,014 units	Shareholding Ratio of Share Certificates, etc., before the Tender Offer: 48.97%
Number of voting rights represented by share certificates, etc., held by specially related parties before the Tender Offer	148 units	Shareholding Ratio of Share Certificates, etc., before the Tender Offer: 0.90%
Number of voting rights represented by share certificates, etc., held by the Company after the Tender Offer	16,365 units	Shareholding Ratio of Share Certificates, etc., after the Tender Offer: 100.00%
Number of voting rights held by all shareholders of the Target Company	16,355 units	

Notes:

1. The “Number of voting rights represented by share certificates, etc., held by specially related parties before the Tender Offer” is the sum of voting rights represented by share certificates, etc., held by respective by specially related parties (However, those to be excluded from the category of specially related parties when calculating the shareholding ratio of share certificates, etc., are excluded as set forth in the respective items of Article 27, Paragraph 2, Item 1 of the Financial Instruments and Exchange Act (Act No. 25 of1948. Including subsequent amendments. The “Act.”) and in accordance with Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than Issuers (Ministry of Finance Ordinance No. 38 of 1990. Including subsequent amendments. The “Cabinet Office Ordinance”)).

2. The “Number of voting rights held by all shareholders of the Target Company” is the number of voting rights of all of shareholders as of March 31, 2014, stated in the security report for the 14th term filed by

the Target Company on June 26, 2014. However, cross-held shares are subject to the Tender Offer. Therefore, for the calculation of the "Shareholding Ratio of Share Certificates, etc., before the Tender Offer" and the "Shareholding Ratio of Share Certificates, etc., after the Tender Offer," the voting rights (10 voting rights) represented by cross-held shares (10 shares) have been added to give a denominator of 16,365 voting rights.

3. The "Shareholding Ratio of Share Certificates, etc., before the Tender Offer" has been rounded to two decimal places.

(7) Tender Offer Cost: ¥434,252,000

Note: The Tender Offer Cost is the Tender Offer Price (¥52,000) multiplied by the Number to Be Purchased (8,351 shares) in the Tender Offer.

(8) Method of Settlement

1) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank or Other Institution in Charge of the Settlement of Purchases

SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

2) Settlement Commencement Date
February 4, 2015 (Wednesday)

3) Method of Settlement
A notice of purchase shall be mailed to the address of the applying shareholder (or the standing proxies in the case of non-Japanese shareholders, etc.) without delay after the end of the Tender Offer Period.

Purchases shall be made in cash, and the method of settlement shall be as follows. Proceeds from sale of the share certificates, etc., purchased shall be remitted without delay from the Settlement Commencement Date onward, in accordance with the instructions of Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.), from the Tender Offer Agents that received applications for the Tender Offer to the locations designated by Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.).

4) Method of Returning Share Certificates, etc., and Other Securities

If all of the tendered share certificates, etc., are not purchased by the Tender Offeror under the conditions stipulated in “2) Existence of Conditions for Withdrawal of the Tender Offer, Details of Any Such Conditions, and the Disclosure Method for Withdrawal” in “(9) Other Conditions and Methods of the Tender Offer” below, the Tender Offer Agents shall mail without delay from the date of withdrawal of the Tender Offer unpurchased share certificates, etc., that are required to be returned to Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.).

(9) Other Conditions and Methods of the Tender Offer

1) Existence of Conditions Stipulated in Article 27,Paragraph 13, Article 4 of the Act and Details of Any Such Conditions

For the Tender Offer, the Company has not established a minimum limit or a maximum limit of the number of shares to be purchased and shall purchase all the tendered share certificates, etc.

2) Existence of Conditions for Withdrawal of the Tender Offer, Details of Any Such Conditions, and the Disclosure Method for Withdrawal

The Tender Offer may be withdrawn if any event occurs that is stipulated in Article 14-1, 1.A. through 1.H., 1.L. through 1.R., 3.A. through 3.G., and 3.J., as well as Article 14-2, 3 through 6, of the Cabinet Order for the Enforcement of the Financial Instruments and Exchange Act (Cabinet Office Ordinance No. 321 of 1965. Including subsequent revisions. The “Cabinet Order”). Further, with respect to the Tender Offer, instances stipulated by Article 14-1-3.J. of the Cabinet Order and corresponding to the instances given in Article 14-1-3.I. of the Cabinet Order refer to instances in which it becomes apparent that with regard to statutory disclosure documents filed in the past the Target Company has made false statements about significant matters or omitted inclusion of significant matters that should have been included.

If the Tender Offeror intends to withdraw the Tender Offer, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards.

3) Existence of Conditions for Reduction of the Tender Offer Price, Details of Any Such Conditions, and the Disclosure Method for Reduction of the Tender Offer Price

Pursuant to Article 27-6-1-1 of the Act, if the Target Company undertakes any action stipulated in Article 13-1 of the Cabinet Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price pursuant to the standard stipulated in Article 19-1 of the Cabinet Office Ordinance.

If the Tender Offeror intends to reduce the Tender Offer Price, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards. If the purchase price for the Tender Offer is reduced, the Tender Offeror shall purchase all shares tendered on or before the date of the said public notice at the reduced price.

4) Matters Concerning the Rights of Cancellation of Agreement of Tendering Shareholders
The Tendering Shareholders may, at any time during the Tender Offer Period, cancel any agreement related to the Tender Offer.

Tendering Shareholders who wish to cancel the agreement for the Tender Offer must deliver or mail a document requesting the cancellation (the "Cancellation Document"), to the party stipulated below by 3:30 p.m. on the last day of the Tender Offer Period (However, respective offices' business hours or times for handling securities vary. In advance, please check the business hours, etc., of the office to be used for processing.). However, if the Document of Cancellation is mailed, it must reach the party stipulated below by 3:30 p.m. on the last day of the Tender Offer Period (However, respective offices' business hours or times for handling securities vary. In advance, please check the business hours, etc., of the office to be used for processing.).

The agent authorized to receive the Cancellation Document

SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

(Other domestic offices of SMBC Nikko Securities Inc.)

Further, the Company shall not claim from Tendering Shareholders any payment of damages or penalties that accompany the cancellation of the agreement. Further, the Tender Offeror shall bear the burden of expenses arising as a result of the return of tendered share certificates, etc.

5) Disclosure Method for Changes in the Conditions or Other Terms of the Tender Offer
During the Tender Offer Period, the Tender Offeror may change the conditions or other terms of the Tender Offer except in the prohibited instances stipulated in Article 27-6-1 of the Act and Article 13 of the Cabinet Order.

If the Tender Offeror intends to change the terms and conditions of the Tender Offer, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards.

If the Tender Offeror changes the conditions or other terms of the Tender Offer, the Tender Offeror shall purchase share certificates, etc., tendered on or before the date of the said public notice in accordance with the conditions or other terms of the Tender Offer following the change.

6) Disclosure Method If an Amendment Statement Is Filed
If the Company files an amendment statement to the Director of the Kanto Finance Bureau, the Company shall immediately make a public announcement about the amendments relevant to the Tender Offer in the manner stipulated in Article 20 of the Cabinet Office Ordinance. Further, the Tender Offeror shall amend the Tender Offer Explanatory Statement immediately and send it to the Tendering Shareholders that have already been sent a Tender Offer Explanatory Statement. However, if the scope of the amendments is minimal, the Tender Offeror shall make amendments by preparing a document that explains the reasons for the amendments, lists the amended items, and provides details of these amended items and delivering the document to Tendering Shareholders.

7) Disclosure Method for the Results of the Tender Offer
The Tender Offeror shall publicly announce the results of the Tender Offer in the manner stipulated in Article 9-4 of the Cabinet Order and Article 30-2 of the Cabinet Office Ordinance on the day following the last day of the Tender Offer Period.

8) Other
The Tender Offer shall not, directly or indirectly, be conducted in or targeted at the United States. Moreover, the U.S. postal mail service or any other method or means of interstate commerce or international commerce (including, without limitation, telephone, telex, facsimile, e-mail and Internet communication) shall not be used to conduct the

Tender Offer, and the Tender Offer shall not be conducted through any U.S. stock exchange facility. In addition, no application for this Tender Offer shall be made by any of the above-mentioned methods or means, through the above-mentioned facilities, or from the United States.

Further, the Tender Offer Explanatory Statement concerning the Tender Offer, or the related tender documents, shall not be sent or distributed to, in or from the United States by mail or any other method. Any application for the Tender Offer in violation of any of the above-mentioned restrictions, either directly or indirectly, shall not be accepted.

At the time of application for the Tender Offer, respective shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.) are required to provide representations and warranties that state the following.

The Tendering Shareholders are not located or do not reside in the United States, at the time of applying for the Tender Offer and at the time of the sending of the Application Form for the Tender Offer. The Tendering Shareholders are not, directly or indirectly, receiving or sending out any information related to the Tender Offer to, in or from the United States. The Tendering Shareholders have not used and shall not use, directly or indirectly, in connection with the signature and submission of the Application Form for the Tender Offer, U.S. postal mail service or any other method or means of interstate commerce or international commerce (including, without limitation, telephone, telex, facsimile, e-mail and Internet communication) or any U.S. stock exchange facility. The Tendering Shareholders are not acting as proxy for any other person without investment discretion or acting as trustee or fiduciary of any other person (not including those who are giving instructions on the tendering of shares from outside the United States).

(10) Date of Public Notice of the Commencement of the Tender Offer
December 8, 2014 (Monday)

(11) Tender Offer Agent
SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

3. Policies after the Tender Offer
With respect to Policies after the Tender Offer, please refer to “(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer” in

“1. Purpose, etc., of the Tender Offer” above.

4. Agreements between the Tender Offeror and the Target Company or its Directors and the Details of Agreements

(1) Agreements between the Tender Offeror and the Target Company or its Directors and the Details of Agreements

1) Summary of Memorandum of Understanding on Operational Alliance

The Company and the Target Company concluded a “Memorandum of Understanding on Operational Alliance” on November 13, 2014. For a summary of the said memorandum of understanding, please refer to “(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer” in “1. Purpose, etc., of the Tender Offer” above.

2) Concurrence with the Tender Offer

According to the Target Company’s Announcement, the Target Company resolved at a meeting of its the Board of Directors convened on December 5, 2014, to release an opinion concurring with the Tender Offer made by the Company, and also to recommend the shareholders of the Target Company to apply for the Tender Offer. This resulted from arriving at the conclusion that becoming a wholly owned subsidiary of the Company and integrating business management with the Company will enable the Target Company to address the pressing issue of establishing a collaborative system that reflects a rapidly changing market environment and enable the heightening of competitiveness within the industry and the enhancement of business results. Furthermore, it was judged that the Tender Offer Price is appropriate and will provide shareholders of the Target Company a reasonable opportunity to sell shares in light of comprehensive consideration of the fact that (i) because the Target Company is an unlisted company and opportunities to transfer the Target Company’s shares are restricted, providing transfer opportunities to shareholders is necessary and the fact that (ii) and the Tender Offer Price is within the scope of the result of the calculation based on the DCF Method of the Share Valuation Report for the Target Company’s shares, is above the acquisition price of the Target Company’s shares (¥50,000 per share) for general shareholders, and is not below the previous tender offer (the “Previous Tender Offer”) price (¥52,000 per share).

Further, the articles of incorporation of the Target Company stipulate that acquisition through transfer of shares of the Target Company requires the approval of the Board of Directors. However, regarding the purchase of shares tendered for the Tender Offer, the Target Company approved a resolution permitting the Company’s acquisition of the said shares, based on the condition of the achievement of the Tender Offer, at a meeting of the Board of Directors of the Target Company convened on December 5, 2014.

For details about the decision making of the Target Company, please refer to the Target Company's publicly released documents or to "2) Calculation Process" in "(4) Basis of Calculation of the Tender Offer Price" above.

(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer

Please refer to "(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer" in "1. Purpose, etc., of the Tender Offer" above.

(3) Measures to Ensure the Fairness of Purchase Price and to Avoid Conflicts of Interest and Measures to Ensure the Fairness of the Tender Offer

Please refer to "1) Basis of Calculation" and "2) Calculation Process" in "(4) Basis of Calculation of the Tender Offer Price," "2. Outline of the Tender Offer" above.