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April 21, 2015

Company: Cookpad Inc.  
Name of Representative: Yoshiteru Akita, CEO  
Code: 2193 (TSE, first section)  
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## **Notice on Commencing Tender Offer for Shares of Minnano Wedding Co., Ltd. (code: 3685) and Forming a Business and Capital Alliance with Minnano Wedding Co., Ltd.**

Cookpad Inc. (“Tender Offeror”) hereby gives notice that it resolved at a board of directors meeting held on April 21, 2015, to undertake a public tender offer (“Tender Offer”) for common shares issued by Minnano Wedding Co., Ltd. (“Target Company Shares”) listed on the Tokyo Stock Exchange Mothers Market (code: 3685) as well as to form a business and capital alliance with the Target Company.

### **1. Background and Purpose of Tender Offer and Business Capital Tie-up**

#### **(1) Outline of Tender Offer**

As of this date, the Tender Offeror does not hold Target Company Shares, but its director and CEO Yoshiteru Akita (“Mr. Akita”) is the third-largest shareholder of the Target Company, holding 1,000,000 shares (13.13% stake\*<sup>1</sup>). The Tender Offeror resolved at its board of directors meeting on April 21, 2015 to conclude a basic agreement on a business and capital alliance (“Basic Business and Capital Alliance Agreement”) with the Target Company on April 21, 2015 (see Paragraph 3) Basic Business and Capital Alliance Agreement with the Target Company of (3) Important Agreements, etc., regarding the Tender Offer as to the content of the Basic Business and Capital Alliance Agreement), and to conclude on April 21, 2015 an agreement between shareholders with Mr. Akita (“Agreement between Shareholders”) regarding the exercise of voting rights on the Target Company Shares held by Mr. Akita (For further details on Agreement between Shareholders, please refer to 1) Agreement between Shareholders with Mr. Akita of (3) Important Agreements, etc., regarding the Tender Offer). The Tender Offeror also resolved at the board of directors meeting to undertake the Tender Offer to establish a stable capital relationship with the Target Company by acquiring Target Company Shares and to make the Target Company a consolidated subsidiary\*<sup>2</sup> by appointing a director from the Tender Offeror and other means.

\*Note 1: This shareholding percentage is based on the number of issued shares as of December 31, 2014 (7,617,300 shares) recorded in the Target Company’s 1Q FY9/2015 Quarterly Securities Report filed February 13, 2015, rounded to the second decimal point. Hereinafter the same method applies to the calculation of shareholdings.

\*Note 2: The Tender Offeror, whose financial reporting has been based on IFRS since the first quarter of the year ending December 2015, intends to recognize the Target Company as its consolidated subsidiary.

The Tender Offeror has set an upper limit of 2,047,000 shares (26.87% stake) to be purchased in the Tender Offer,

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because the purpose of the Tender Offer is to make the Target Company a consolidated subsidiary (based on IFRS) and the Tender Offeror intends to maintain the stock market listing of the Target Company Shares after the Tender Offer is completed. Assuming the Tender Offer is completed as planned, the Tender Offeror estimates that the total number of target shares held by the Tender Offeror and Mr. Akita will be 3,047,000 (40.00% stake). If the number of tendered shares in response to the Tender Offer (“tendered shares, etc.”) exceeds the upper limit of 2,047,000 shares, the Tender Offeror will not make a Tender Offer for all or part of the surplus, but instead settle the transaction by transfer of shares or other means based on the proportional distribution method provided in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, hereinafter “FIEA”) and Article 32 of the Cabinet Office Ordinance Concerning Disclosure of Securities Tender Offers by Nonissuers (Ministry of Finance Ordinance No. 38 of 1990, as amended, herein after “Cabinet Office Ordinance”). The Tender Offeror today also set a lower limit of 1,544,178 shares (20.27% stake) for the Tender Offer, which brings the total shareholding of the Tender Offeror and Mr. Akita to over one-third of the total at 2,544,178 shares (33.40% stake) after the Tender Offer is completed. If the number of tendered shares, etc., does not reach the lower limit of 1,544,178 shares, the Tender Offeror will not make a Tender Offer for all of the tendered shares, etc.

The Tender Offeror concluded agreements dated as of April 21, 2015 regarding the tender of shares in response to the Tender Offer by the Target Company’s largest shareholder Globis Fund III, L.P. (“Globis III”) and sixth-largest shareholder Globis Fund III (B), L.P. (“Globis IIIB”; hereinafter Globis III and Globis IIIB collectively referred to as “Globis”) and second-largest shareholder DeNA Co., Ltd. (“DeNA”) with the respective shareholders. (Hereinafter, the agreement with Globis regarding tendered shares in response to the Tender Offer referred to as “Globis tender agreement” and agreement with DeNA regarding tendered shares in response to the Tender Offer referred to as “DeNA tender agreement”; the two agreements collectively referred to as “tender agreements”. See Paragraph 2) Globis and DeNA Tender Agreements of (3) Important Agreements, etc., regarding the Tender Offer). The total number of tendered shares is expected to exceed the upper limit of shares to be purchased in the Tender Offer, because Globis and DeNA have agreed to tender all of the shares they hold in the Target Company under the tender agreements. Globis III holds 1,359,200 shares (17.84% stake), Globis IIIB holds 380,000 shares (4.99% stake), and DeNA holds 1,034,100 shares (13.58% stake) in the Target Company for a total of 2,773,300 shares (36.41% stake). Globis and DeNA will not be able to sell all of the Target Company shares that they hold in the Tender Offer, if the total number of tendered shares exceeds the upper limit of shares to be purchased in the Tender Offer and the Tender Offeror is to purchase shares by the proportional distribution method. Globis and DeNA are yet to decide on a policy for holding Target Company shares that they are unable to sell in the Tender Offer.

The Target Company issued a press release on April 21, 2015 entitled “Expression of Opinion of Tender Offer for Company Shares by, and Notice of Conclusion of Basic Agreement for Business and Capital Alliance with Cookpad Inc.” (“Target Company Press Release”). According to the Target Company Press Release, the Target Company discussed with the Tender Offeror in close detail conditions for concluding the Basic Business and Capital Alliance Agreement and per share price offered for the shares of the Target Company under the Tender Offer (“Tender Offer Price”), taking into consideration a stock valuation report provided by Ernst & Young

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Transaction Advisory Services Co., Ltd. (“EY”), a report produced by an independent third-party committee set up on March 11, 2015 as an advisory body to the Target Company (“the Report”) and legal advice provided by Shibata, Suzuki & Nakada, a law firm. As a result, the Target Company resolved as follows. a) The Target Company concludes that combining the management base and business know-how of, and generating synergies between the two companies by concluding the Basic Business and Capital Alliance Agreement and establishing a stable capital relationship with the Tender Offeror, and allocating majority of the board seats, including representative director position, to the Tender Offeror, would raise the corporate value and ultimately improve shareholder value of the Target Company. b) The Target Company resolved at a board of directors meeting on April 21, 2015 to make an expression of opinion of agreement to the Tender Offer to all Target Company shareholders and leave to their discretion whether or not to tender their shares (see Target Company Press Release and Paragraph 5) Approval by All Directors and Auditors of Target Company with No Beneficial or Competing Interest with regard to the Tender Offer of (4) Measures to Assure Fairness of Tender Offer, including Measures to Assure Fairness of Tender Offer Price and Measures to Avoid Conflicts of Interest). The Target Company’s resolution is based on the conclusion that the Tender Offer Price is not unreasonable, because it is within the valuation range given in the EY stock valuation report and adds a premium to the market price on the Tokyo Stock Market Mothers Market.

## **(2) Background and Purpose of Tender Offer and Management Policy on Completion of Tender Offer**

### **1) Background and Purpose of Tender Offer**

The Tender Offeror’s shares are listed on the first section of the Tokyo Stock Exchange. Its main business “Cookpad” is the largest recipe service in Japan\*, recording 50.42 million monthly users at the end of December 2014. Cookpad’s corporate philosophy is to make everyday cooking fun; users can post and search for recipes online. The Tender Offeror aims to develop “Cookpad” into a platform for living infrastructure around food by expanding its established business and growing new businesses. The Tender Offeror’s top priority is the attitude of “user first” (i.e., seeking convenience and user-friendliness from the consumer’s perspective). It focuses on putting the “user first” in all businesses and services to make them more convenient for consumers.

\*Note: According to the Tender Offeror’s research, “Cookpad” ranks first among the major recipe websites in Japan in terms of page view (PV) and unique users (UU). PV represents the total number of website pages viewed over a given period of time, while UU represents the total number of unique users who accessed the website over a given period of time.

The Target Company was founded in October 2010 as a spin-off of DeNA. Its management philosophy is “together making everyone’s dreams come true” and its mission “making all weddings that people desire a reality.” Its main businesses are “Minnano Wedding,” which runs a word-of-mouth information website about wedding venues to help every bride and groom to plan their dream wedding, and a separate wedding production business. The Target Company listed its shares on the Tokyo Stock Exchange Mothers Market in March 2014. One of its medium-term management targets is to strengthen service development to consolidate its position in the bridal business and find new sources of earnings to enhance corporate value. Another challenge is to strengthen internal controls. As disclosed in its November 14, 2014 press release “Notice of results of an internal inquiry on sales,”\* inappropriate

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accounting treatment was brought to the notice of the Target Company by its accounting auditor Deloitte Touche Tohmatsu LLC in October 2014.

\*Note: According to the November 14, 2014 press release “Notice of results of an internal inquiry on sales”, in October 2014 the Target Company’s accounting auditor brought to its attention the possibility that it had recorded fictitious sales (No actual execution of service was substantiated for the 12 million yen sales on wedding arrangement business. The related revenue was found to have been personally financed by the representative director of the Target Company). The Target Company conducted an internal investigation and corrected the accounting treatment in question, and stated that the corrected accounting treatment is reflected in FY9/2014 results. The Target Company plans to put the following measures in place to prevent a recurrence: a) strengthening compliance and improving its corporate culture; b) reviewing job authority and segregation of duties; c) revising business processes in the bridal business division; d) reviewing the processes for reporting earnings results and financial condition; and e) enhancing the whistle-blower system.

Under these conditions, the Tender Offeror began exploring the possibility of an alliance with the Target Company (including a Tender Offer for Target Company shares) in December 2014 after being approached by several shareholders of the Target Company interested in a capital alliance in November 2014. The Tender Offeror began talks with the major shareholders of the Target Company by initiating a contact with the Target Company in early February 2015 after the Target Company disclosed its 1Q FY9/2015 results in its 1Q FY9/2015 Summary of Consolidated Business Results (J-GAAP, non-consolidated) on January 30, 2015. In late February 2015, the Tender Offeror made a proposal to the Target Company on a business and capital alliance centered on personnel support. The Tender Offeror continued talks with the Target Company thereafter to discuss ways to grow the businesses and corporate value of the two companies.

As a result of the talks, the Tender Offeror and Target Company concluded in March 2015 that the strengthening of capital alliance between the Tender Offeror and the Target Company and acquisition of the Target Company as a consolidated subsidiary of the Tender Offeror (based on IFRS) will enable the maximum use of the corporate resources of the Tender Offeror, and thereby lead to enhanced business opportunities for both companies, and that the Tender Offer and business alliance between the two companies will contribute to the enhancement of the corporate values of the Tender Offeror or its affiliated companies (“Group Companies”) as well as that of the Target Company.

The Tender Offeror believes that marriage, a key life event, is not only an important opportunity to increase cooking frequency, but also to develop “Cookpad” into a platform for living infrastructure around food, which is one of its main goals, and sees the Target Company as a major component factor in the process. The Tender Offeror is considering specific measures such as ways to increase users by customer referrals.

The Target Company believes sharing the Tender Offeror’s know-how and technology base for developing “Cookpad” services will help expand its services and accelerate business growth. The Tender Offeror and Target

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Company seek to operate in an alliance by utilizing the business know-how fostered by each company to grow the corporate value of the Tender Offeror group and the Target Company.

Specifically, the Tender Offeror plans to instill in the Target Company's business its "user first" attitude, which is its main priority, by working together among others, to put into action the items set out in Paragraph 3) Basic Business and Capital Alliance Agreement with the Target Company of (3) Important Agreements, etc., regarding the Tender Offer. As well, the Tender Offeror plans to accelerate service design that makes value for users the top priority—a practice already in place at the Target Company—thereby enabling the Target Company's services and business model to evolve into those that are valuable to user companies (mainly wedding venues). The Tender Offeror believes that the source of "Cookpad" value lies in the diverse recipes posted by users. Word-of-mouth information posted by users is also key content in the Target Company's service. Thus the two companies' services are similar in that they are both online services based on user posts and reviews. The Tender Offeror will therefore share its know-how on running "Cookpad" recipe communities with the Target Company to help it build better quality communities in its wedding information service. As well, almost 70% of "Cookpad" monthly users as of the end of December 2014 accessed the service from smart devices such as smartphones and tablets. The Tender Offeror thus excels in providing services for users of smart devices. The Target Company is working on developing services for smart devices. The Tender Offeror plans to share with the Target Company its know-how on building services for smart devices at "Cookpad" so that the Target Company's service will become easier to use for users of smart devices.

To reiterate, the Tender Offeror and Target Company agreed to conclude the Basic Business and Capital Alliance Agreement on April 21, 2015 in accordance with Paragraph 3) Basic Business and Capital Alliance Agreement with the Target Company of (3) Important Agreements, etc., regarding the Tender Offer, to combine the management base and business know-how of the Tender Offeror group and Target Company and generate business synergies. The two companies have agreed on a business alliance that covers cooperation in measures to increase user numbers and grow earnings, raising awareness of the Target Company's services, and providing personnel support.

## **2) Management Policy after Tender Offer is Completed**

Regarding the management structure after the Tender Offer is completed, based on the Business and Capital Alliance Agreement, the Tender Offeror and Target Company plan to appoint at least three directors from the Tender Offeror so that they will form a majority of Target Company directors (Presently, the board of directors of the Target Company is composed of four directors. None of the four director seats are taken by the Tender Offeror.) The Target Company's board of directors will select the president and representative director from the directors appointed by the Tender Offeror. The Target Company shall call an extraordinary general meeting of shareholders without delay to pass a resolution on the new management structure. Specifically, an agenda item is to be submitted on the appointment of directors that nominates the Tender Offeror's director Mr. Akita and employee Shinsuke Ishiwatari and Norihiko Mabuchi as candidates. The Tender Offeror plans to appoint Shinsuke Ishiwatari

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representative director of the Target Company at the board of directors' meeting to be held after the relevant extraordinary shareholders' meeting. Among the incumbent directors of the Target Company as of today, Yosuke Uchida and Hiroyuki Arai and Akihiko Shiba will resign as a director at the extraordinary shareholders' meeting to be called by the Target Company following and contingent upon a successful completion of the Tender Offer.

In addition to appointing directors as described above, the Tender Offeror plans to make the Target Company a consolidated subsidiary (based on IFRS) by establishing substantial control over the Target Company, on the back of its ownership of the Target Company shares and the entitlement to control the exercise of voting rights afforded to it by the Agreement between Shareholders.

As stated above, the Tender Offeror believes that combining the management base and business know-how of the Tender Offeror Group and the Target Company and generating business synergies will help to improve the corporate value of the Tender Offeror Group and Target Company. The Tender Offeror will provide personnel support in including the appointment of directors, instill the "user first" attitude (a key value in the Tender Offeror's service development) in the Target Company's business, make progress in compliance and establishment of new sources of earnings, and put into action the business alliance set out in Paragraph 3) Basic Business and Capital Alliance Agreement with the Target Company of (3) Important Agreements, etc., regarding the Tender Offer with the Target Company to improve the competitive advantage of the Target Company's service and actively strengthen its internal controls.

### **3) The Tender Offeror's Decision-making Method**

The Tender Offeror's director and CEO Yoshiteru Akita is a major shareholder in the Target Company with 1,000,000 shares (13.13% stake). To eliminate arbitrariness and assure fairness in the decision-making process regarding the discussion and decisions made on the Tender Offer and avoid a conflict of interest between Mr. Akita and the Tender Offeror's shareholders, Mr. Akita, who is a director and CEO of the Tender Offeror, has not participated in resolutions regarding the Tender Offer of the board of directors and management meeting (meeting of the Tender Offeror's executive officers), with the exception of consenting to the written resolution of the April 21 board of directors meeting described below. Furthermore, after mid-February 2015, Mr. Akita has not taken part in meetings and negotiations with the Target Company, as well as Globis and DeNA, the counterparties to the tender agreement, as a representative of the Tender Offeror.

Written approval of the board of directors' resolution of April 21, 2015 has been obtained from all members of the board of directors (including Mr. Akita) to ensure that the requirements of the written resolution are fully met. This is because of suspicion that Mr. Akita has a specific conflict of interest with the Tender Offeror regarding the matter to be resolved, although the resolution was by written consent by all members of the board of directors.

### **(3) Important Agreements, etc., regarding the Tender Offer**

- 1) Agreement between Shareholders with Mr. Akita**
- 2) Globis and DeNA Tender Agreements**

### **3) Basic Business and Capital Alliance Agreement with the Target Company**

#### **(4) Measures to Assure Fairness of Tender Offer, including Measures to Assure Fairness of Tender Offer Price and Measures to Avoid Conflicts of Interest**

The Tender Offeror does not hold Target Company shares at present, but to assure fairness of Tender Offer, the Tender Offeror and Target Company have put the following measures in place in light of Mr. Akita, who is director and CEO of the Tender Offeror, holding 1,000,000 shares (13.13% stake) in the Target Company.

- 1) Tender Offeror Obtaining Fairness Opinion, etc. from Independent Third-party Appraiser**
- 2) Target Company Obtaining Stock Valuation Report from Independent Third-party Appraiser**
- 3) Target Company Establishing Independent Third-party Committee**
- 4) Target Company Receiving Advice from Independent Legal Advisor**
- 5) Approval by All Directors and Auditors of Target Company with No Beneficial or Competing Interest with regard to the Tender Offer**

#### **(5) Plans to Acquire Target Company Shares, etc., after the Tender Offer**

At present the Tender Offeror has no plans to acquire further Target Company shares after the Tender Offer is completed if it achieves the objective of the Tender Offer, which is to make the Target Company a consolidated subsidiary (based on IFRS). The Tender Offeror has no specific policy on a course of action if it fails to achieve its objective of making the Target Company a consolidated subsidiary (based on IFRS) by undertaking the Tender Offer. The Tender Offeror plans to discuss with the Target Company how to proceed (including whether or not to make the Target Company a consolidated subsidiary (based on IFRS)) in this situation. The Tender Offeror may acquire shares in the Target Company after the Target Company becomes a consolidated subsidiary (based on IFRS) depending on the course of action it decides to take at that point, but it does not have specific plans to do so at present.

#### **(6) Prospect of, and Reasons for Target Company Shares Being Delisted**

Target company shares are listed on the Tokyo Stock Exchange Mothers Market at the time of writing. The Tender Offer is not being undertaken for the purpose of delisting Target Company Shares; the total stake in the Target Company of the Tender Offeror and Mr. Akita should not exceed 3,047,000 shares (40.00% stake) on completion of the Tender Offer, because the upper limit of shares to be purchased in the Tender Offer is 2,047,000 shares (26.87% stake). Accordingly, the Tender Offeror intends to maintain the listing of Target Company shares on the Tokyo Stock Exchange Mothers Market.

## 2. Overview of the Tender Offer

### (1) Overview of the Target Company

1)	Company Name	Minnano Wedding Co., Ltd.		
2)	Principal Office	1-13-1 Tsukiji, Chuo-ku, Tokyo, Japan		
3)	Representative	Yosuke Uchida, President, Representative Director and CEO		
4)	Principal Lines of Business	Management of web sites for information and word-of-mouth communications on wedding halls, Production of bridal ceremonies		
5)	Capital Stock	1,436,302, 000 yen (as of December 31, 2014)		
6)	Date of Incorporation	October 1, 2010		
7)	Major Shareholders and Percentage of Shares Held (as of September 30, 2014)	Globis Fund III , L.P.	17.84%	
		DeNA Co., Ltd.	13.57%	
		Yoshiteru Akita	13.12%	
		Keisuke Iio	11.35%	
		YJ1 Investment Partnership	7.86%	
		Globis Fund III (B), L.P.	4.98%	
		Japan Trustee Services Bank, Ltd. (trust account)	3.94%	
		The Master Trust Bank of Japan, Ltd. (trust account)	2.94%	
		Deutsche Bank AG London-PB Non-Treaty Clients 613 (standing proxy: Deutsche Securities Inc.)	2.32%	
		Yoshiyuki Nakamura	1.83%	
		Masanao Kogure	1.83%	
8)	Relationships between Tender Offeror and the Target Company			
	Capital Relationships	Yoshiteru Akita, a Director and CEO of Tender Offeror, owns 1,000,000 shares of the Target Company's stock (13.13% stake) as of the release date of this document.		
	Personal Relationships	Not applicable		
	Transactional Relationships	Tender Offeror recognized sales revenue from the Target Company in its advertising business, as well as an expense payable to the Target Company on PR tools in its advertising business for the year ended September 30, 2014.		
	Related Party Status	Not applicable		
9)	Target Company's operating results and financial position for the most recent three years (thousand yen)			
	Fiscal year ended:	September 30, 2012	September 30, 2013	September 30, 2014
	Net assets	216,086	350,035	3,158,191
	Total assets	315,874	536,251	3,258,099
	Net assets per share	¥29.46	¥61.69	¥414.61
	Net sales	555,243	1,011,381	1,504,194
	Operating income	70,447	175,443	327,318
	Ordinary income	70,598	175,932	292,241
	Net income	60,967	109,869	183,030
	Basic EPS	¥42.08	¥35.80	¥27.07



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Note: The percentages of shares held listed in “7) Major Shareholders and Percentage of Shares Held (as of September 30, 2014)” were calculated by dividing the number of shares owned by the total number of issued shares as of September 30, 2014, as disclosed in the Target Company’s Annual Securities Report for the fiscal year ended September 30, 2014 (“FY2014”) submitted on December 26, 2014.

## **(2) Schedule and Related Information**

### **1) Schedule**

Resolution at Board of Directors	April 21, 2015 (Tuesday)
Date of Public Notice of Tender Offer’s Commencement	April 22, 2015 (Wednesday)
Name of Newspaper for Public Notice	Electronic public notice and the Nikkei newspaper Public Notice Address ( <a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a> )
Filing Date of Tender Offer Registration statement	April 22, 2015 (Wednesday)

### **2) Period of Tender Offer in the Initial Filing**

From April 22, 2015 (Wednesday) through May 25, 2015 (Monday) (twenty business days)

### **3) Possibility of Extension on a Request by Target Company**

As stipulated in Article 27-10, Paragraph 3 of FIEA, when the Target Company submits a position statement which states its requests for extension of period for purchase (“Tender Offer Period”), the Tender Offer Period will be extended to thirty business days ending June 8, 2015 (Monday).

### **(3) Tender Offer Price**

¥1,400 per common share

### **(4) Rationale behind the Determination of the Tender Offer Price**

#### **1) Basis of Valuation**

In determining the Tender Offer Price, Tender Offeror asked in late March 2015 Plutus, a third-party appraiser independent of both Tender Offeror and the Target Company, to appraise the Target Company’s stock value and its opinion on the fairness of the Tender Offer Price (fairness opinion) to Tender Offeror’s shareholders from a financial perspective. Plutus is not a related party of the Tender Offeror or the Target Company and has no major beneficial interest or competing interest with regard to the Tender Offer.

Plutus valued the Target Company shares by market price method, comparable company method, and discounted cash flow (DCF) method. The Tender Offeror obtained this stock valuation report from Plutus on April 20, 2015. Tender Offeror has also obtained a fairness opinion from Plutus on the same date, which, on the basis of and subject to certain assumptions, states that the Tender Offer Price is valid to Tender Offeror’s shareholders from a financial perspective.

The Target Company stock values per share calculated by each of the three methods are summarized below.

Market price method: ¥851 – ¥1,027

Comparable company method: ¥1,296 – ¥1,405

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DCF method: ¥1,398 – ¥1,520

For the valuation using the market price method, Plutus valued the Target Company's stock value at between ¥851 and ¥1,027 per share, based on the closing price of the Target Company's common shares on the Tokyo Stock Exchange Mothers Market on the valuation base date of April 20, 2015, which was ¥874; its average closing price of ¥855 (rounded to the nearest yen, as are the other average closing prices in this paragraph) over the most recent one-month period; its average closing price of ¥876, over the most recent three-months period; its average closing price of ¥1,027 over the most recent six-months period; and its average closing price of ¥851 over the period starting February 2, 2015 to the valuation base date.\*

\*Note: In light of the fact that the 1Q FY9/2015 Summary of Consolidated Business Results, released by the Target Company conceivably has impact on its stock price, its average closing price over the period starting February 2, 2015, the next business day of the results release date, to the valuation base date is also included in the valuation.

Using the comparable company method, Plutus valued the Target Company's stock value at between ¥1,296 and ¥1,405 per share through comparison with market share prices and financial indicators (such as profitability) of listed companies whose businesses, scale, and earnings condition were relatively similar to the Target Company's. With regard to FY9/2015, as Target Company incurred nonrecurring expenses from relocation of the principal office, the financial indicators disclosed as earnings forecasts for the FY9/2015 were adjusted to exclude such expenses in applying the comparable company method.

For the DCF method, Plutus valued the Target Company's stock value at between ¥1,398 and ¥1,520 per share. In doing so, Plutus analyzed the Target Company's corporate value and equity value by discounting the Target Company's projected future free cash flows to present value using certain discount rates. The projected future free cash flows is based on the Target Company's projected future earnings for the period starting from the 3Q FY9/2015, which was derived from the business plan for the five years from FY9/2015 to FY9/2019 (the business plan was offered from the Target Company and submitted by the Tender Offeror to Plutus) with some adjustments made by Tender Offeror taking into consideration various factors such as the latest business performance, interview to the Target Company on its business plans, and publicly disclosed information.

Note: Plutus assumes that the information supplied to Plutus and basic materials and publicly disclosed materials discussed with Plutus is accurate and complete, and relies on them in the preparation and submission of the fairness opinion, etc., and in calculating the share price valuations on which it is based. With the exception of procedures carried out by Plutus, Plutus has not undertaken any independent research on, or verification of the accuracy and completeness of the above information and materials; nor is Plutus under any obligation to undertake such independent research and verification. Thus Plutus is not liable for any flaws in the materials or matters related to the nondisclosure of material facts. Plutus has not undertaken an independent valuation or appraisal of the assets and liabilities of the Target Company and its affiliates (including off-balance sheet assets

and liabilities, and contingent liabilities), including the analysis and valuation of specific assets and liabilities, nor has it received a submission of any valuation or appraisal report on these matters. Also, Plutus has not undertaken an independent assessment of the Target Company's creditworthiness in the context of applicable laws concerning bankruptcy, suspension of payments, and similar matters. Plutus assumes that as of the time of writing of the fairness opinion, etc., that the Target Company's business plan and other materials used as basic materials for the fairness opinion, etc., have been prepared in a reasonable manner based on the best forecasts and decisions. Plutus provides no assurance of the feasibility of the said materials and has expressed no opinion of the said analysis, forecast, or the assumptions on which they are based. The fairness opinion, etc., expresses an opinion at the time of writing on the fairness of the Tender Offer Price to the Tender Offeror's shareholders from a financial perspective based on information obtained by Plutus, financial and capital market conditions, economic conditions, and other conditions at the time. Although the fairness opinion, etc., can be affected by subsequent changes in these conditions, Plutus is under no obligation to revise, amend, or supplement the fairness opinion, etc. Unless explicitly stated, the fairness opinion, etc. does not infer or imply any opinion about conditions, or after the date of submission. The fairness opinion, etc., is limited to expressing an opinion on the fairness of the Tender Offer Price to the Tender Offeror's shareholders from a financial perspective and does not express any opinion to holders of any other securities issued by the Tender Offeror, creditors, or any other constituent of the Tender Offeror. The fairness opinion, etc., does not state an opinion on the pros and cons of undertaking the Tender Offer. The fairness opinion is provided by Plutus for the purpose of use as basic materials for the Tender Offeror's board of directors to determine the Tender Offer Price and cannot be relied upon by any other party. The fairness opinion, etc., does not recommend any course of action to Target Company shareholders (such as tendering Target Company Shares) in response to the Tender Offer. Plutus has no authority to make a solicitation about investments, etc., to the Tender Offeror and has made no such solicitation. Thus Plutus is not liable to the shareholders of the Tender Offeror or any third party that relies on the fairness opinion, etc.

Using the fairness opinion, etc., obtained from Plutus on April 20, 2015 as a reference, Tender Offeror ultimately decided on April 21, 2015 to set the Tender Offer Price at ¥1,400 pursuant to a resolution of its board of directors. In doing so, Tender Offeror comprehensively took into consideration the results of the due diligence undertaken by Tender Offeror, expectations of an improvement of the Target Company's earnings as a result of synergy effects, etc., generated by a strengthened business relationship between the Tender Offeror Group and the Target Company, actual premiums offered in previous tender offers by non-issuers, the Target Company's board of directors' willingness to pass a resolution for the Tender Offer, the performance of the Target Company common shares' stock market price in the past six months, and the outcome of discussions and negotiations with Globis and DeNA.

The Tender Offer Price of ¥1,400 per share represents a 60.18% premium (rounded to the nearest hundredth of a percent, as are the other percentages in this paragraph) to the Target Company common shares' closing price of ¥874 on the Tokyo Stock Exchange Mothers Market on April 20, 2015, last trading day before the Tender Offer's disclosure date; a 63.74% premium to their simple average closing price of ¥855 over the previous month (from

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March 23, 2015 through April 20, 2015); a 59.82% premium to their simple average closing price of ¥876 over the previous three months (from January 21, 2015 through April 20, 2015); a 36.82% premium to their simple average closing price of ¥1,027 over the previous six months (from October 21, 2014 through April 20, 2015); and a 64.51% premium to their simple average closing price of ¥851 over the period from February 2, 2015, the next business day of the release date of 1Q FY9/2015 Summary of Consolidated Business Results, through April 20, 2015.

## 2) Valuation Process

### 3) Relationship with Valuation Appraiser

#### (5) Number of Shares to be Purchased

Number of shares to be purchased	Minimum number	Maximum number
2,047,000 shares	1,544,178 shares	2,047,000 shares

Note 1: In case the total number of tendered shares, etc. offered to sell does not reach the minimum number of shares planned to be purchased (1,544,178 shares), the Tender Offeror shall not make purchase of any of the tendered shares, etc. offered to sell. If the total number of tendered shares, etc. offered to sell exceeds the maximum number of tendered shares, etc. planned to be purchased (2,047,000 shares), then all or a part of the tendered shares, etc. exceeding the maximum shall not be purchased. Instead, the Tender Offeror shall conduct transfer of shares, etc. and other settlement procedures using the proportional distribution method as specified by Article 27 – 13, Paragraph 5 of the FIEA and Article 32 of the Cabinet Office Ordinance.

Note 2: Shares less than one unit are also subject to the Tender Offer. If any shareholders exercise the right to have such shares repurchased by the issuer pursuant to the Companies Act (Act No. 86, 2005, including subsequent revisions), the Target Company will repurchase such shares in the legally prescribed manner during the Tender Offer Period.

Note 3: It is possible that the stock warrants will be exercised before the end of the Tender Offer Period. The Target Company's common shares that would be issued or transferred as a result of the exercise would also be subject to the Tender Offer.

#### (6) Changes in Equity Ownership Percentages due to Purchase

Number of voting rights attached to shares owned by Tender Offeror before the purchase	0 rights	(0.00% of shares held before the purchase)
Number of voting rights attached to shares owned by specially related parties before the purchase	10,000 rights	(13.11% of shares held before the purchase)
Number of voting rights attached to shares to be owned by Tender Offeror after the purchase	20,470 rights	(26.84% of shares held after the purchase)
Number of voting rights attached to shares owned by specially related parties after the purchase	10,000 rights	(13.11% of shares held after the purchase)
Number of voting rights held by all of the Target Company's shareholders	76,165 rights	

Note 1: The "Number of voting rights held by all of the Target Company's shareholders" is the number of all shareholders' voting rights (calculated as one voting right per 100-share trading unit outstanding) as of September 30, 2014, as disclosed in the 1Q FY9/2015 Quarterly Securities Report. However, as the Tender Offer includes the purchase of the Target Company's shares less than one unit and shares issued or transferred due to exercise of stock warrants, in the calculation of "Number of voting rights attached to

shares owned by specially related parties before the purchase,” “Number of voting rights attached to shares to be owned by Tender Offeror after the purchase” and “Number of voting rights attached to shares owned by specially related parties after the purchase,” 76,263 voting rights attached to 7,626,300 common shares is used as the denominator, which is the sum of the total number of issued shares (7,617,300 shares) as of December 31, 2014, as disclosed in the 1Q FY9/2015 Quarterly Securities Report and the number of shares to be issued or transferred (9,000 shares) by the exercise of #2 Stock warrants (three warrants) as of November 30, 2014, as disclosed in the FY9/2014 Securities Report submitted by the Target Company on December 26, 2014. According to the Target Company, there has been no change from the number of stock warrants disclosed in the FY9/2014 Securities Report).

Note 2: “Number of voting rights attached to shares owned by specially related parties before the purchase,” “Number of voting rights attached to shares to be owned by Tender Offeror after the purchase” and “Number of voting rights attached to shares owned by specially related parties after the purchase” were rounded to the hundredth of a percent.

#### **(7) Total Purchase Price of Shares to Be Purchased (Planned)**

¥2,865,800,000

Note: The total purchase price of shares to be purchased was calculated by multiplying the planned number of shares to be purchased (2,047,000 shares) by the Tender Offer Price (¥1,400).

#### **(8) Method of Settlement**

##### **1) Name and Address of Financial Instruments Business Operator or Bank in charge of the Settlement of the Tender Offer**

MITA Securities Co., Ltd.  
3-11 Kabutocho, Nihonbashi, Chuo-ku, Tokyo

##### **2) Commencement Date of Settlement**

May 29, 2015 (Friday)

Note: In case a position statement is submitted by the Target Company, pursuant to the provision of Article 27-10, Paragraph 3 of the FIEA, and requesting for the extension of the Tender Offer Period, the commencement date of settlement shall be June 12, 2015 (Friday).

##### **3) Method of Settlement**

##### **4) Method of Return of Shares, etc.**

#### **(9) Other Terms and Conditions and Procedures for the Tender Offer**

##### **1) Terms and Conditions Listed in each of Article 27 – 13, Paragraph 4 of the FIEA and the Contents thereof**

##### **2) Terms and Conditions for Withdrawal of Tender Offer, the Contents thereof and Procedures for Disclosing Withdrawal**

If any of the events listed in Article 14, Paragraph 1, Item 1.1 through 1.9 and 1.12 through 1.18, Item 3.1 through 3.8 and 3.10, and Article 14, Paragraph 2, Item 3 through 6 of the Enforcement Order of the Financial Instruments

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and Exchange Act (Cabinet Order No. 321 of 1965, as amended; hereinafter “Enforcement Order”) occurs, the Tender Offeror may withdraw the Tender Offer. In the Tender Offer, with respect to Article 14, Paragraph 1 Item 3.10 of the Enforcement Order, “events equivalent to those listed in Items 3.1 through 3.9” refer to an event in which a statutory disclosure document filed by the Target Company in the past is found to contain a false statement regarding a material fact, or omit a statement regarding a material fact that should have been stated.

If it seeks to withdraw the Tender Offer, the Tender Offeror shall issue an electronic public notice and publish a statement to that effect in the Nikkei Newspaper. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror shall make an announcement pursuant to Article 20 of the Cabinet Office Ordinance and then immediately issue a public notice.

### **3) Terms and Conditions for Reducing Tender Offer Price, the Contents thereof and Procedures for Disclosing a Reduction**

In accordance with Article 27 – 6, Paragraph 1, Item 1 of the FIEA, if the Target Company performs any act listed in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price pursuant to the standards set out in Article 19, Paragraph 1 of the Cabinet Office Ordinance. When reducing the Tender Offer Price, the Tender Offeror shall issue an electronic public notice and publish a statement to that effect in the Nikkei Newspaper. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror shall make an announcement pursuant to Article 20 of the Cabinet Office Ordinance and then immediately issue a public notice. If the Tender Offer Price is reduced, the Tender Offeror shall purchase tendered shares on or before the day of the public notice at such reduced Tender Offer Price.

### **4) Matters regarding Tendering Shareholders’ Right to Cancel Agreement**

### **5) Procedures for Disclosing Amendments to Tender Offer Terms and Conditions**

The Tender Offeror may amend the Tender Offer terms and conditions during the Tender Offer Period, except in cases prohibited under Article 27 – 6, Paragraph 1 of the FIEA and Article 13 of the Enforcement Order. In the case of such amendments, the Tender Offeror shall issue an electronic public notice, on the details of the amendments and publish a statement to that effect in the Nikkei Newspaper. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror shall make an announcement pursuant to Article 20 of the Cabinet Office Ordinance and then immediately issue a public notice. If any of the Tender Offer terms and conditions is amended, the Tender Offeror shall purchase tendered shares on or before the day of the public notice on such amended terms and conditions.

### **6) Procedures for Disclosing Filing of Amended Tender Offer Registration Statement**

If the Tender Offeror files an amended Tender Offer registration statement with the director of the Kanto Local Finance Bureau, the Tender Offeror will immediately announce amendments related to the matters listed in the

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public notice of the commencement of the Tender Offer included in the matters listed in the amended Tender Offer registration statement, pursuant to Article 20 of the Cabinet Office Ordinance. The Tender Offeror shall immediately amend the Tender Offer statement and deliver an amended Tender Offer statement to any tendering shareholder who has already received a Tender Offer statement. However, if amendments have only been made to a limited extent, the Tender Offeror may prepare a document stating the reason for, and the details of the amendment (both before and after the amendment), and deliver that document to the tendering shareholder.

#### **7) Procedure for Disclosing Result of Tender Offer**

As to the result of the Tender Offer, a notice shall be issued on the day immediately following the last day of the Tender Offer Period, pursuant to Article 9 – 4 of the Enforcement Order and Article 30 – 2 of the Cabinet Office Ordinance.

#### **8) Others**

This Tender Offer is not conducted in the United States or for the United States, either directly or indirectly, and is not conducted by means of U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and moreover, is not conducted through any securities exchange facilities in the United States. This Tender Offer may not be subscribed through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States.

Furthermore, this document and related documents regarding the Tender Offer are not sent to or distributed and may not be sent or distributed in the United States or from the United States by means of mail or any other method. The Company will not accept any subscriptions to this Tender Offer that directly or indirectly violate the aforementioned restrictions.

Upon application to the Tender Offer, tendering shareholders, etc. (or their standing proxies for foreign shareholders) may be required to make the following representations and warranties to the Tender Offer agent.

Tendering shareholders, etc. are not present in the United States either upon the tender, or the delivery of the Tender Offer application form. No information (including the copies thereof) regarding the Tender Offer have been directly or indirectly received or sent within, to and from the United States. Regarding the purchase or execution and the delivery of the Tender Offer application form, there are no direct or indirect use of the U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), nor securities exchange facilities in the United States. The tendering shareholders, etc. are not to act as the agent, trustee, or the mandatory of other parties without discretion (excluding cases where such other parties give all instructions regarding the purchase from outside the United States).

#### **(10) Date of Public Notice of Commencement of Tender Offer**

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April 22, 2015 (Wednesday)

**(11) Tender Offer Agent**

MITA Securities Co., Ltd.

3-11 Kabutocho, Nihonbashi, Chuo-ku, Tokyo

**3. Policy after Tender Offer and Future Outlook**

**(1) Policy after Tender Offer**

For the policy after the Tender Offer, please refer to (2) Background and Purpose of Tender Offer and Management Policy on Completion of Tender Offer in 1. Background and Purpose of Tender Offer and Business Capital Tie-up.

**(2) Outlook of Impact on the Company's Consolidated Performance**

The impact of the Tender Offer on the outlook of the Company's performance for the current financial year is now under due diligence, and any need for the possible amendment of the Company's performance outlook and occurrence of any matters that need to be announced, shall be promptly disclosed.

**4. Other Information**

**(1) Agreements between the Tender Offeror and the Target Company or its Officers and the Contents thereof**

1) Agreement as to the said Tender Offer

2) Basic Business and Capital Alliance Agreement

**(2) Other Information Necessary for Investors' Decision of Tender**

-End-



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#### Restrictions on Solicitation

This document is intended for the announcement of the Tender Offer to the general public and is not intended to solicit sales of shares. If anyone desires to sell his or her shares, the shareholder should, at his or her own responsibility, review the Tender Offer statement and accept the Tender Offer in his or her own discretion. This document is not considered as an offer or solicitation of sales of securities or solicitation of this purchase offer and does not constitute any such part. This document (or any part of it) or the fact of its distribution does not provide a basis for any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

#### Forward-looking Statements

The forward-looking statements such as earnings estimate in this document are based on the information currently available with the Company and on certain assumptions which the Company considers to be rational, and do not guarantee the achievement of those statements. Moreover, the actual results, etc. may materially differ due to various reasons, and therefore you are requested to refrain from making decisions on investments etc., based solely on these forward-looking statements in this document.

#### U.S. Regulations

This Tender Offer is not conducted in the United States or for the United States, either directly or indirectly, and is not conducted by means of U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and moreover, is not conducted through any securities exchange facilities in the United States. This Tender Offer may not be subscribed through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States. Furthermore, this document and related documents regarding the Tender Offer are not sent to or distributed and may not be sent or distributed in the United States or from the United States by means of mail or any other method. The Company will not accept any subscriptions to this Tender Offer that directly or indirectly violate the aforementioned restrictions.

#### Other Foreign Jurisdictions

Announcement, issuance or distribution of this document may be subject to legal restrictions in certain countries or regions. In such case, you are required to be aware of and comply with such restrictions. In such countries or regions, this document does not constitute an offer for purchase or solicitation for offer or sales of shares regarding the Tender Offer, even if this document or its translation is received in such countries or regions. In that case, it shall be considered as a mere distribution of informative materials.