

[Translation]

November 29, 2016

To whom it may concern

Company Name	K.K. MBKP Resort
Name of Representative	Kenichiro Kagasa, Representative Director

NOTICE OF COMMENCEMENT OF TENDER OFFER FOR SHARE CERTIFICATES, ETC. OF  
ACCORDIA GOLF CO., LTD. (Stock Code: 2131)

K.K. MBKP Resort (the “Tender Offeror”) has decided on November 29, 2016, to acquire the shares of common stock and the stock acquisition rights of Accordia Golf Co., Ltd. (First Section of the Tokyo Stock Exchange, Stock Code: 2131, the “Target Company”) through the tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “Act”).

1. Purpose of Tender Offer
- (1) Overview of the Tender Offer

The Tender Offeror is a stock company whose issued and outstanding shares are held entirely by Midori Development Company Designated Activity Company incorporated in Ireland (“Midori”), and was incorporated in June 2015 mainly for the purpose of acquiring and owning all of the issued and outstanding shares of common stock of the Target Company (the “Target Company’s Common Stock”) (excluding those relating to the treasury shares owned by the Target Company) and for the purpose of controlling and managing the business of the Target Company.

Midori is an investment company indirectly owned by MBK Partners Fund III, L.P., to which MBK Partners K.K. or its affiliates (collectively, “MBK Partners Group”) provide service as the ultimate controlling party. MBK Partners Group is an independent private equity firm that specializes in the North Asia region and was incorporated in March 2005 when it was seen that, in the future, there would be a rapid development of the private equity investment markets in Japan, China and Korea. MBK Partners Group has investment assets of approximately USD 14.5 billion as of today pursuant to support from investors, mainly consisting of institutional investors such as banks, insurance companies, asset management companies, public pension funds, corporate pension funds, foundations, fund of funds and sovereign investment agencies in Japan and overseas, and has made a wide range of investments in corporations ranging from large corporations to medium-sized corporations, mainly in the field of communications/media, financial services, retail/consumer goods, business services, transportation, general manufacturing, etc., and MBK Partners Group has proactively supported the management of those corporations to maximize their corporate value. Since its incorporation in March 2005, MBK Partners Group has a track record of 25 investments, five of which were conducted in Japan, including Yayoi Co., Ltd., TASAKI & Co., Ltd. (formerly called Tasaki Shinju Co., Ltd.), USJ Co., Ltd., Invoice Inc. and Komeda Co., Ltd.

The Tender Offeror is conducting the Tender Offer as a part of a transaction (the “Transaction”) that is intended to make the Target Company a wholly owned subsidiary of the Tender Offeror through the acquisition and ownership of all of the issued and outstanding shares (70,504,567 shares, shareholding ratio (see Note 1) 100%) of the Target Company’s Common Stock that are listed on the First Section of the Tokyo Stock Exchange, Inc. (the “TSE”) (excluding treasury shares that are held by the Target Company).

While third series stock acquisition rights of Accordia Golf Co., Ltd. issued pursuant to the resolutions passed at the Target Company’s Board of Directors meeting held on March 28, 2014 and the Target Company’s general meeting of shareholders held on June 27, 2014 (the “Stock Acquisition Rights”)

have been issued by the Target Company as of today, however, the exercise period of these Stock Acquisition Rights will terminate after November 30, 2016 has passed, which is prior to the termination of the Tender Offer Period, and all of them will lapse. According to the Target Company's Notice as of today titled "Notice of Commencement of Tender Offer for Share Certificates of the Company by K.K. MBKP Resort and Recommendation to Tender Shares" (the "Target Company's Notice"), since any extension of the exercise period of the Stock Acquisition Rights will not be taken, the Stock Acquisition Rights will not be purchased by the Tender Offer. While the Stock Acquisition Rights are technically subject to the Tender Offer in this notice, the descriptions in this notice assume that the Stock Acquisition Rights are not subject to the Tender Offer in effect, considering the fact that all the Stock Acquisition Rights will lapse by the termination of the Tender Offer Period according to the descriptions in the Target Company's Notice.

In connection with the acceptance of the Tender Offer, the Tender Offeror executed the Tender Offer Agreement (hereinafter referred to as the "Tender Offer Agreement") on November 23, 2016 with the following companies and has obtained the agreement of those companies that all of the shares of Target Company's Common Stock that are held by those companies at the time of tendering will be tendered in the Tender Offer: Reno, Inc. (number of shares of the Target Company's Common Stock held: 7,000,000 shares, shareholding ratio: 9.93%), Ms. Aya Nomura (number of shares of the Target Company's Common Stock held: 6,955,900 shares, shareholding ratio: 9.87%) and Office Support Corporation (number of shares of the Target Company's Common Stock held: 2,100,000 shares, shareholding ratio: 2.98%) (collectively, the "Major Shareholders Group") (the total number of shares of the Target Company's Common Stock that is held by the above companies is 16,055,900 shares, which amounts to a shareholding ratio of 22.77% as of the execution of the Tender Offer Agreement). For details of the Tender Offer Agreement, please refer to "(3) Details of Material Agreements between the Tender Offeror and the Major Shareholders Group concerning the Tendering of Shares" below.

(Note 1) "Shareholding ratio" means any shareholding ratio relative to the total number of issued shares of the Target Company as of September 30, 2016 (i.e., 84,739,000 shares), as set forth in the 38th Fiscal Year 2nd Quarterly Securities Report of the Target Company (hereinafter referred to as the "Target Company's 38th FY 2Q Securities Report") filed on November 11, 2016, less the number of treasury shares held by the Target Company as set forth in the Target Company's 38th FY 2Q Securities Report (i.e., 14,234,433 shares) (equating to 70,504,567 shares) (shareholding ratios are rounded up or down to three decimal places), and hereinafter the same shall apply. As the Exercise Price (1,316 yen) of the Stock Acquisition Rights (i.e., 141,843 units as of today; the total number of the Target Company's Common Stock to be issued at the exercise of the Stock Acquisition Rights is 15,197,462 shares) is higher than the tender offer price of the Target Company's Common Stock (hereinafter referred to as the "Tender Offer Price") (1,210 yen), the Tender Offeror believes that all or part of the Stock Acquisition Rights will not be exercised during the Tender Offer Period. Therefore, no diluted shareholding upon the exercise of the Stock Acquisition Rights is considered for the purpose of the calculation of the shareholding ratios, etc. in this notice.

For the Tender Offer, the Tender Offeror has set a minimum number of shares to be purchased of 47,003,100 shares (which amounts to a shareholding ratio of 66.67%). The Tender Offeror does not intend to acquire all of the Tendered Shares, Etc. if the total number of the Tendered Shares, Etc. is less than such minimum number. Such minimum number of shares to be purchased represents the number of shares (any fractions of a unit, i.e., where the number of shares is less than 100, shall be rounded up to the nearest unit) that is equal to two-thirds of the total number of issued shares of the Target Company as of September 30, 2016 (i.e., 84,739,000 shares), as set forth in the Target Company's 38th FY 2Q Securities Report, less the number of treasury shares held by the Target Company as set forth in the Target Company's 38th FY 2Q Securities Report (i.e., 14,234,433 shares) (equating to 70,504,567 shares).

Notwithstanding the foregoing, as stated above, since the Tender Offeror plans to acquire all of the shares of the Target Company's Common Stock in the Tender Offer, the maximum number of shares to be purchased has not been set and in respect of the said Target Company's Common Stock, etc., if

the number of shares tendered is equal to or more than the minimum number of shares (47,003,100 shares, or a shareholding ratio of 66.67%), the Tender Offeror will acquire all of the Tendered Shares, Etc.

If the Tender Offeror fails to acquire all of the Target Company's Common Stock through the Tender Offer upon the conclusion of the Tender Offer, the Tender Offeror intends to require that the Target Company take steps that are necessary for the Tender Offeror to acquire all of the Target Company's Common Stock and make the Target Company a wholly-owned subsidiary of the Tender Offeror as set forth in "(5) Policy for organizational restructuring, etc. after the Tender Offer (matters relating to so-called "two-tier acquisitions"))" below. In addition, the Tender Offeror plans to merge with the Target Company after the completion of these procedures. The details of the merger, including the specific schedule, etc. are to be determined.

According to the Target Company's Notice, at a board of directors' meeting of the Target Company held today, the directors resolved, based on the reasons set forth in "c. Decision Making Process of the Target Company to Agree to the Tender Offer" of "(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer" and "(4) Measures to Ensure the Fairness of the Tender Offer Such As Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflict of Interests" below, that the Target Company will express its opinion to support the Tender Offer, and also that the Target Company will recommend that the shareholders of the Target Company accept the Tender Offer. Further, since the Stock Acquisition Rights will lapse during the Tender Offer Period of the Tender Offer, such Stock Acquisition Rights will not be subject to the purchase through the Tender Offer. Therefore, the Target Company will withhold their opinion regarding the Tender Offer with respect to the Stock Acquisition Rights (and it will not express its opinion in the future regarding thereof).

According to the Target Company's Notice, the aforementioned resolution of the board of directors of the Target Company was made on the assumption that the Tender Offeror plans to make the Target Company its wholly-owned subsidiary through the Tender Offer and a series of procedures thereafter and that the Target Company's Common Stock would be delisted. For further information, please refer to "c. Decision Making Process of the Target Company to Agree to the Tender Offer," "(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer" below.

The Tender Offeror has set the Tender Offer Period as 30 business days while the shortest period prescribed by laws and regulations is 20 business days. The Tender Offeror has set the Tender Offer Period relatively longer so as to ensure the fairness of the Tender Offer by giving the shareholders of the Target Company the opportunity to make a proper decision on whether to accept the Tender Offer as well as giving investors other than the Tender Offeror the opportunity to acquire the Target Company's Common Stock. For further information, please refer to "f. Measures to Ensure Acquisition Opportunities, Etc. for Other Investors" of "(4) Measures to Ensure the Fairness of the Tender Offer Such As Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflict of Interests" below.

- (2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer
  - a. Business Environment Surrounding the Target Company and Management Issues of the Target Company

According to the Target Company's Notice, the Target Company is a company formerly named Takenuma Golf Range Co., Ltd. that was incorporated in September 1981 for the purpose of managing golf ranges. In February 2002, it changed its business purpose to the management of golf courses and improved revenue by revitalizing golf courses whose performance had deteriorated and expanded its operating base by owning more golf courses through acquisitions and other means. Then, in November 2006, the Target Company was listed on the First Section of the TSE.

The Target Company has revitalized the golf course business and inspired the golf industry with a new perspective by providing customers with a variety of approachable, casual and comfortable services—

under the united brand “Accordia Golf” with the concept “It’s a new game,” meaning “casual and fun golf”—in the golf industry, which had been in a slump for a long time after the bursting of Japan’s economic bubble. In July 2003, the Target Company has also introduced advanced services that had never been adopted in golf courses in Japan, such as a loyalty program (“ACCORDIA GOLF Point Card”) for the Target Company’s golf courses, and improved revenue by reforming cost structures by utilizing its group network. As a result, the Target Company recognizes that it has received a high level of satisfaction from many golfers and established its brand and a firm position as a leading company in the management of golf courses. As of today, the Target Company manages 135 golf courses (it owns 42 courses and manages 93 courses through entrustments) and 27 golf ranges (it owns 22 golf ranges and manages 5 golf ranges through entrustments). The number of golf courses that the Target Company manages accounts for approximately 5% of the approximately 2,400 golf courses in Japan, which represents the top company in the golf course management industry, and most of the golf courses are located in the densely populated three metropolitan areas and major regional cities and neighboring areas thereto. The cumulative total for visitors to the golf courses of the Target Company is 8.37 million per year, which accounts for approximately 10% of the approximately 87.75 million visitors constituting the cumulative total for visitors to golf courses throughout Japan for a year (a survey in 2015 which is the current survey result published by the *Nihon Golf-jo Keieisha Kyokai* (NGK, the golf course manager’s association in Japan)).

On the other hand, the Target Company acknowledges that the golf course management business of the Target Company is in a business environment that is encountering the so-called year 2020 problem (Note) and faces severe market trends such as decreases in the number of golfers and decreases in the unit price for a round of golf.

Therefore, the Target Company considers that it urgently needs to take measures for (i) “acceleration of the acquisition of golf courses and golf ranges to expand the number of golf courses that it manages,” (ii) “improvement of brand value by further improving the quality of golf course management” and (iii) “acquisition of, and establishment of alliances with, overseas golf courses,” “procurement of business from inbound (foreigners visiting Japan) demand expected to expand in future,” etc.

As for (i) “acceleration of the acquisition of golf courses and golf ranges to expand the number of golf courses that it manages,” compared to the situation in 2012 where the Target Company significantly increased returns to its shareholders based on its judgment that it was the best decision to increase returns to its shareholders rather than appropriating surplus cash to new investment, taking into consideration the external harsh environment for new investment such as the declining trends of the trading market of golf courses, the current environment of the golf course market in Japan represents a change and there are sufficient M&A opportunities. In light of these circumstances, the Target Company has a chance for regrowth by making investments from a mid- and -long-term perspective by a financing method based on a system under which the Target Company can utilize the cash flow in a flexible manner, rather than allocating the cash flow to returns to shareholders or to achieve short-term profits as a listed company.

In addition, to improve the satisfaction of existing golf course members and other users and to further expand the number of golf course users by providing services that precisely match the needs of its golf course users by way of (ii) “improvement of brand value by further improving the quality of golf course management,” it is expected that while the Target Company needs to make large-scale investments, the Target Company will experience a temporary increase in the financial burden and a temporary deterioration in cash flow.

Moreover, strengthening overseas expansion, etc., through (iii) “acquisition of, and establishment of alliances with, overseas golf course,” “procurement of business from inbound (foreigners visiting Japan) demand expected to expand in future,” etc., may contribute to the establishment of a solid management base to address the year 2020 problem. However, as there will be a temporary increase in the financial burden and prompt decision-making will be required to implement various strategies, we consider that there are limitations on the implementation of those various strategies while remaining listed, taking into consideration the fact that the Target Company cannot secure prompt decision-making, and that it is difficult to perform the Target Company’s obligations as a listed

company to consider the securing of short-term profits and to achieve returns to shareholders at the same time.

(Note) “Year 2020 problem” means a problem that may cause a reduction in golf demand in circumstances where a majority of postwar baby-boomers who lead the current golf demand will be over 70 years old.

b. Evaluation of the Transaction, Discussion with the Target Company, Decision in Respect of the Implementation of the Tender Offer, etc. by MBK Partners Group

MBK Partners Group focuses on buyout investments in Japan (investment that may entail privatization of a listed company) as a field that is equally important as investments in China and Korea. In particular, MBK Partners Group has selected potential investments in Japan for the purpose of promoting the further enhancement of the corporate value of superior enterprises that can expect future growth. Under such circumstances, in December 2014, MBK Partners Group received a referral from Daiwa Securities Co. Ltd. (“Daiwa Securities”), the financial advisor of the Tender Offeror, where the Target Company was introduced as a target and received opportunities to discuss the various issues stated in “a. Business Environment Surrounding the Target Company and Management Issues of the Target Company” above with the Target Company. Thereafter, MBK Partners Group performed an initial evaluation in cooperation with the Target Company based on information provided by the Target Company and, on February 6, 2015, MBK Partners made a proposal to conduct a more detailed evaluation of such cooperation between the Target Company and MBK Partners Group, based on the assumption that MBK Partners Group would privatize the Target Company through a tender offer, in order to resolve the management issues and achieve medium and long-term growth in respect of the Target Company.

After the above-mentioned proposal by the Tender Offeror, MBK Partners Group deepened its understanding of the business of the Target Company, the business environment surrounding the Target Company and the management issues of the Target Company, through continued discussions with the Target Company and a due diligence investigation on the Target Company (such due diligence investigation was conducted intermittently during the course of such discussions and finally completed in the middle of November 2016) and MBK Partners Group made further evaluations of the future growth strategies of the Target Company.

During such process, MBK Partners Group noted that the implementation of measures for (i) “acceleration of the acquisition of golf courses and golf ranges to expand the number of golf courses that it manages,” (ii) “improvement of brand value by further improving the quality of golf course management” and (iii) “acquisition of, and establishment of alliances with, overseas golf courses,” “procurement of business from inbound (foreigners visiting Japan) demand expected to expand in future” is the key to improving the corporate value of the Target Company. Consequently, MBK Partners Group has come to recognize that privatization of the Target Company and making expeditious management judgment is a particularly efficient option to accelerate the decision-making for acquisition of golf courses, etc., and flexibly cope with changes in the market environment in future.

For the maximization of value of golf courses, while it is essential to make a large-scale capital investment to improve the quality of service and golf courses, the implementation of these strategies may result in a decrease in profits and cash flow on a temporary basis. Thus, MBK Partners Group has concluded that it will be difficult to avoid temporary adverse economic effects on the existing shareholders of the Target Company while remaining listed and to conduct a large-scale reform of business operations in the short term while maintaining the current state.

As a result of the above evaluation, MBK Partners Group submitted a preliminary letter of intent concerning the Transaction on May 25, 2015 based on its belief that the implementation of the various strategies set forth in “(d) Management Policy After the Tender Offer” below after privatizing the Target Company will be key to resolving the management issues of the Target Company, the achievement of medium and long-term growth and the further improvement of the corporate value of the Target Company. Although negotiations were subsequently conducted with the Target Company on whether to implement the Transaction, taking into consideration unstable movement of the Target

Company's share price around July 2015, the timing of the implementation of the Transaction was determined to be reformed in August, 2015. After that, MBK Partners Group still continued the discussion with the Target Company with respect to its business strategy. During such process, it was recognized that (i) the Target Company would have several maturing borrowings during 2016, and (ii) a series of implementations may be required by the Target Company which include a temporary increase in the financial burden, as described in above “a. Business Environment Surrounding the Target Company and Management Issues of the Target Company.” According to such situation of the Target Company, it might be difficult for the Target Company to control both making returns to its shareholders as a listed company and raising funds on conditions favorable to the Target Company. Thus, MBK Partners and the Target Company reached the consensus to re-accelerate the discussion towards the implementation of the Transaction from the middle of April 2016, and MBK Partners Group conducted several consultations and negotiations with the Target Company concerning the appropriateness of conducting the Transaction and the conditions thereof. However, the situation regarding the implementation of the Transaction was still unclear since a certain media reported news relating to the Tender Offer on July 14, 2016 (Note 1), and the Target Company's share price resulted in unstable movement and it took some time for the negotiation in relation to the fund raising by MBK Partners Group for the Transaction. As the Target Company's share price became stable in September 2016 and the raising of funds (112,500,000,000 yen, such funds can be allocated to a part of the funds for the acquisition of the Target Company's Common Stock in the Transaction including incidental expenses (86,250,524,860 yen (Note 2)), the funds for repayment of the existing borrowings of the Target Company and its consolidated subsidiaries including incidental expenses (63,606,450,000 yen as of September 30, 2016 (Note 3)) and the working capital, etc. of the Target Company and its consolidated subsidiaries) ) from Goldman Sachs Credit Partners (Japan), Ltd. (the “Subscriber”) on the conditions satisfactory to MBK Partners Group was prepared subsequently, MBK Partners Group provided the letter of intent concerning the Tender Offer on October 31, 2016. Thereafter, MBK Partners Group discussed with the Target Company the Tender Offer Price and other terms, including the receipt of the request for reconsideration of the Tender Offer Price from the Target Company.

MBK Partners Group notified the Major Shareholders Group at the beginning of November 2016, which was timing that showed the negotiation with the Target Company had provided reasonable progress, that it would implement the Tender Offer and MBK Partners Group requested the Major Shareholders Group to enter into the Tender Offer Agreement. On this occasion, MBK Partners Group explained to the Major Shareholders Group the issues of the Target Company and the meaning and importance of the Tender Offer to improve the corporate value of the Target Company as stated in “a. Business Environment Surrounding the Target Company and Management Issues of the Target Company,” above, and the Major Shareholders Group acknowledged them. Thereafter, the MBK Partners Group and the Major Shareholders Group continued the negotiation with respect to the contents of the Tender Offer Agreement. Concurrently with the negotiation with the Target Company on the Tender Offer Price, MBK Partners Group requested the Major Shareholders Group to tender the Target Company's common stock in the Tender Offer at the Tender Offer Price 1,200 yen proposed to the Target Company in the letter of intent concerning the Tender Offer. In response to such request, in the middle of November, the Major Shareholders Group requested MBK Partners Group to reconsider the Tender Offer Price so that many shareholders of the Target Company other than the Major Shareholders Group would tender the Target Company's common stock in the Tender Offer. Based on such request, MBK Partners Group discussed the Tender Offer Price with the Target Company. Subsequently, on November 23, 2016, MBK Partners Group made the final proposal to the Major Shareholders Group to implement the Tender Offer at the Tender Offer Price 1,210 yen as discussed by and between MBK Partners Group and the Target Company, and the Major Shareholders Group accepted this proposal on the same day. Accordingly, on November 23, 2016, the Major Shareholders agreed to enter into the Tender Offer Agreement at the Tender Offer Price. For details of the Tender Offer Agreement, please refer to “(3) Details of Material Agreements between the Tender Offeror and the Major Shareholders Group Concerning the Tendering of Shares” below. Between MBK Partners Group and the Target Company, based on the results of the aforementioned discussion including the request from the Target Company to reconsider the Tender Offer Price and the aforementioned request from the Major Shareholders Group, MBK Partners Group made the final proposal to set the Tender Offer Price per share at 1,210 yen on November 23, 2016 and decided to implement the Tender Offer today.

- (Note 1) Please refer to “Notice Regarding Certain Media Coverage” of the Target Company's Notice dated July 15, 2016. With respect to such news reports, another news was reported on August 26, 2016 (Please refer to “Notice Regarding Certain Media Coverage Last Week” of the Target Company's Notice dated August 29, 2016) (the period from July 15, 2016 to August 26, 2016 shall be hereinafter referred to as the “Certain Media Coverage Impact Period”); however, the Tender Offeror was not involved in either of the news reports.
- (Note 2) The stated amount is the funds required for purchase with respect to the Tender Offer (i.e. the total of the amount stated in “(7) Aggregate Tender Offer Price” of “2. Outline of the Tender Offer” below, the estimated amount of commission to be paid to the Tender Offer Agent, and the estimated fees and expenses pertaining to the public notice regarding this Tender Offer, for printing the Tender Offer Explanation Statement and other necessary documents, and other fees and expenses).
- (Note 3) 63,606,450,000 yen is an aggregate of short-term borrowings (3,300,000,000 yen), commercial paper (4,998,581,000 yen), long-term borrowings due within one year (23,686,428,000 yen) and long-term borrowings (31,621,441,000 yen) which are described in the consolidated balance sheet as of September 30, 2016 that is included in the Target Company's 38th FY 2Q Securities Report.

- c. Decision Making Process of the Target Company to Agree to the Tender Offer
- (i) Asset-light strategy using a business trust of the Target Company and issues thereof

According to the Target Company's Notice, as stated in “a. Business Environment Surrounding the Target Company and Management Issues of the Target Company,” the Target Company has enhanced its corporate value by acquiring golf courses whose performance had deteriorated and improving the profitability of those golf courses through utilizing its unique operational know-how and by increasing the number of golf courses that are held and operated by itself under the “Accordia Golf” brand since participating in the golf course operation business in 2002 and listing its shares on the first section of the Tokyo Stock Exchange in 2006. However, as the number of golf courses held by the Target Company has increased, the Target Company has faced a management issue of improvement of asset efficiency, particularly for the golf course assets that are not depreciated for accounting purposes. Therefore, the Target Company implemented the “asset-light strategy using a business trust” (Note 1) under which the Target Company formed the Accordia Golf Trust that could own golf course assets, transferred to the Accordia Golf Trust many of the golf courses that had stabilized their profits and the Target Company Group continues to operate and manage such golf courses after the said transfers, with the special approval of shareholders as resolved at the meeting of shareholders held in August 2014, and transferred its business operation model to one which concentrates on the operation of golf courses and focuses on the expansion of golf courses, etc., that are operated by the Target Company. In addition, at the time of such transfer of the business operation model, the Target Company made a return to its shareholders in approximately 45 billion yen by way of the tender offer of its shares in August 2014. Furthermore, at the time of the implementation of such strategy, the Target Company and its major shareholders (referring to Reno, Inc. and its joint holders at the relevant time for the purpose of this “(i) Asset-light strategy using a business trust of the Target Company and issues thereof”) discussed the effect, etc. of the asset-light strategy using a business trust on the Target Company's corporate value and the value of its shares in light of the maximization of shareholder value.

In this asset-light strategy using a business trust, the Target Company transferred 90 courses (including facilities attached thereto) out of 133 courses owned by the Target Company Group to AG Asset (as defined in (Note 1) below) and has been commissioned to manage and operate those golf courses. As a result of this strategy, the Target Company has improved its asset efficiency by separating from the Target Company's assets the assets that caused the deterioration of the asset efficiency of the Target Company, while securing stable commission fees.

- (Note 1) “Asset-light strategy using a business trust” means a series of transactions in which the Target Company transfers part of the golf courses owned by the Target Company Group (including facilities attached thereto) (“Golf Courses Transferred to BT”) to Accordia Golf Asset Godo Kaisha (“AG Asset Godo Kaisha”) by way of

transfer of shares in its subsidiaries that own such Golf Courses Transferred to BT in the form of a silent partnership contribution, and then transfers the interest in the silent partnership contribution acquired by such silent partnership contribution to a business trust (Accordia Golf Trust) formed in Singapore (hereinafter individually or, as the case may be, collectively with Accordia Golf Asset Godo Kaisha, referred to as “AG Asset”) to receive compensation for such transfer and repayment of the existing loans, etc. from the Target Company’s subsidiaries transferred to AG Asset in order to improve the efficiency of the management of the Target Company by reducing the asset size of golf courses held by the Target Company Group and the Target Company’s focusing on operation of golf courses. A “business trust” means an investment trust formed as a business trust pursuant to the Business Trusts Act of Singapore.

According to the Target Company’s Notice, the Target Company published that it formulated the new medium-term management plan “Accordia Vision 2017” in May 2014 and, through implementation of the asset-light strategy using the business trust, would aim to achieve further external growth by increasing the number of golf courses that it operates, not the number of golf courses that it owns, by way of the cyclical business model under which it accelerates the acquisition of golf courses and golf ranges and improves the value of its golf courses, and then sells the golf courses that have stabilized their profits to AG Asset, and by applying a portion of the proceeds of the sale to carry out further acquisitions to efficiently expand and grow the golf courses that the Target Company manages (hereinafter referred to as the “Cyclical Business Model”) for the purposes of becoming the “World’s Leading Golf Course Operator” in terms of the number of golf courses operated by the Target Company from the “World’s Leading Golf Course Owner” and maximizing ROE. In addition, in August 2014, the Target Company received a request from its major shareholders to convene an extraordinary meeting of shareholders to improve shareholder value through the fully implemented asset-light strategy and returns to shareholders. However, such request from the major shareholders of the Target Company to convene an extraordinary meeting of shareholders was withdrawn as of August 12, 2014 after the Target Company published that it would aim to sell its assets in the amount equivalent to 40 billion yen or more in total (on a book value basis) if the conditions such as financing by a business trust and coordination of rights are satisfied in two fiscal years, i.e., the fiscal year ended on March 31, 2016 and the fiscal year ending on March 31, 2017, by selling the remaining golf courses owned by the Target Company as soon as possible in accordance with the Target Company’s policy to specialize in the golf course operation business through consultation with the major shareholders. Moreover, regarding returns to shareholders, the Target Company published that it would aim to make returns to shareholders in the amount of 20 billion yen or more in total (including the distribution of a surplus that is equivalent to 45% of the deemed consolidated net income (Note 2)) in two fiscal years, i.e., the fiscal year ended on March 31, 2016 and the fiscal year ending on March 31, 2017, if the asset-light strategy is implemented and certain conditions such as additional financing are satisfied.

Moreover, according to the Target Company’s Notice, in order to evaluate and explore a specific strategy for the improvement of corporate value under this new business model, the Target Company selected Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“MUMSS”) as its sole financial advisor in December 2014 and has conducted various evaluations to fully achieve the Cyclical Business Model with MUMSS.

However, according to the Target Company’s Notice, after the implementation of the asset-light strategy using a business trust, while the Target Company prepared for the sale of its golf courses to AG Asset, AG Asset experienced a weak growth of the unit price of the business trust and took time to consult and coordinate with the related parties. Therefore, AG Asset has not been able to raise funds to acquire the golf courses owned by the Target Company. The Target Company also is in the situation where it could not make sufficient investments to acquire new golf courses and golf ranges or to improve the value of those golf courses and golf ranges as a result of the need for a cash flow to make returns to the shareholders as a listed company and other external factors. As stated above, the current status is that the value chain for the Cyclical Business Model, “acquisition, improvement of value and sale to AG Asset of golf courses and golf ranges,” as contemplated by the Target Company at the time of the implementation of the asset-light strategy using a business trust does not fully



function. Under such circumstances, the Target Company has come to believe that it is difficult to continue to grow at a high rate as a company while maintaining the same level of returns to its shareholders as before, and that it may not achieve the new medium-term management plan “Accordia Vision 2017” and the aforementioned asset-light strategy and returns to shareholders or improve its corporate value or the value of its shares through increases of ROE.

Then, according to the Target Company, in order to improve the corporate value from a mid- and -long-term perspective, the Target Company has believed that it is essential to implement a drastic reform of its business operations and settle the issue of financing and other issues. Based on such belief, the Target Company has considered the various measures therefor, including the solicitation and selection of sponsors to acquire shares of the Target Company. In considering the measures to improve its corporate value, the Target Company has come to believe that the selection of sponsors that will acquire shares of the Target Company is the best way to improve its corporate value under the current situation where it is likely that the Target Company may not be able to achieve the Cyclical Business Model as initially contemplated and the target amount of returns to its shareholders, of 20 billion yen or more in total in two fiscal years; i.e., the fiscal year ended on March 31, 2016 and the fiscal year ending on March 31, 2017.

(Note 2) Deemed consolidated net income = Consolidated net income – Special profit (loss)  
+ Corporate income tax, etc. on such special profit (loss)

(ii) Proposal of the Tender Offeror

According to the Target Company’s Notice, in the circumstances set forth in “(i) Asset-light strategy using a business trust of the Target Company and issues thereof” above, MBK Partners Group showed its interest in investment in the Target Company as set forth in “b. Evaluation of the Transaction, Discussion with the Target Company, Decision in Respect of the Implementation of the Tender Offer, etc. by MBK Partners Group” above, and MBK Partners Group agreed to the Target Company’s business model including the Cyclical Business Model. The Target Company confirmed that MBK Partners Group was an investor that could support the Target Company’s business model and decided to cooperate in due diligence conducted by MBK Partners Group. The Target Company then accepted a preliminary proposal for the Tender Offer from MBK Partners Group on May 25, 2015.

(iii) Consultations and Negotiations with the Tender Offeror, and Examination by the Target Company

According to the Target Company’s Notice, the Board of Directors of the Target Company (half of the directors of which are independent outside directors, and all four corporate auditors of the Target Company are independent outside corporate auditors) collected, examined and otherwise considered information as follows in terms of the effect of the Transaction on the Target Company’s corporate value and the effect of the Transaction on the Target Company’s shareholders interests.

After the receipt of the initial letter of intent from MBK Partners Group in May 2015, the Target Company continued to discuss with MBK Partners Group about the feasibility and significance of the Transaction.

Further, after the receipt of another letter of intent from MBK Partners Group on October 31, 2016, in response to the proposal of the tender offer price indicated in the letter of intent (between 1,180 yen and 1,200 yen), the Target Company requested MBK Partners Group to reconsider the Tender Offer Price. A total of seven meetings of the Board of Directors of the Target Company were held from November 4, 2016 to November 29, 2016. At each meeting, the Board of Directors of the Target Company received explanations from MUMSS, the Target Company’s financial advisor, and Mori Hamada & Matsumoto (“MH&M”), the Target Company’s legal advisor, regarding the terms and conditions of the Tender Offer and other matters concerning the Transaction and regarding the decision-making method and process to be taken by the Target Company’s Board of Directors, and question and answer sessions regarding these matters were also held at such meetings.

As a result of such discussions, MBK Partners Group presented a final proposal to set the Tender Offer Price to be 1,210 yen per share on November 23, 2016.

The Target Company carefully discussed and considered the various conditions concerning the Transaction based on the valuation report concerning the Target Company's Common Stock and the fairness opinion obtained from PLUTUS Consulting ("PLUTUS"), the advice obtained from MUMSS and MH&M, the opinion obtained from Kasumimon Sogo Law Offices and other related materials.

Given the current status that the value chain of "acquisition, value adding, and sale" of golf courses and driving ranges does not function sufficiently, the Target Company believes that it is necessary to fundamentally reform its business operation. For the purpose of such business operation reform, the Target Company considers that it is necessary that the Target Company will not apply its cash flows to the allocation of returns to shareholders, but to the investment for growth including the acquisition of new golf courses and driving ranges, the capital investment for improvement of services and new acquisitions. In addition, in the process of such reform, it is inevitable that changes in the policy of the allocation of returns to shareholders would cause confusion for shareholders, and since the reform would involve the implementation of investment and business strategy from a medium- to long-term perspective, it may temporarily have an adverse effect on the Target Company's revenue.

However, in the case where the Target Company maintains the listing of Target Company's Common Stock, it is inevitable that the Target Company would seek short-term profit that can be returned to shareholders and that such business operation reform might thus not be able to be implemented. In addition, in order for the Target Company to specialize in the business of operation of golf courses, it needs to implement the asset-light strategy promptly, taking into consideration the market conditions. However, as long as the Target Company remains a listed company, it may not be able to implement the asset-light strategy promptly. In addition, the dividends and the shareholder special benefit plan of the Target Company after fiscal year 2017, in case where the Tender Offer has not completed and the Target Company remains to be listed, have not determined at this point, however, the Target Company plans to consider the above including the revision of existing dividends policy and shareholder special benefit plan in consideration of cash flow and other circumstances of the Target Company, from the perspective of improving the corporate value of the Target Company.

Based on this, the Board of Directors reached the conclusion that providing the shareholders with an opportunity now to convert their existing shares into cash, delisting the Target Company, implementing (i) "acceleration of the acquisition of golf courses and driving ranges to expand the number of golf courses that it manages," (ii) "improvement of brand value by further improving the quality of golf course management" and (iii) "acquisition of, and establishment of alliances with, overseas golf courses," "procurement of business from inbound (foreign tourist) demand expected to expand in future," and promoting the most appropriate measures for the asset-light strategy and the Circulating Business Model from the medium- to long term viewpoint, would be the best option for the Target Company from the perspectives of improving its corporate value and business strategy, and it resolved with the unanimous approval of all the directors at its Board of Directors meeting of the Target Company held today to express an opinion in favor of the Tender Offer. All of the corporate auditors participated in the deliberations at the Board of Directors meeting, and all of the corporate auditors present expressed an opinion to the effect that the content of the aforementioned resolution by the Board of Directors is legitimate.

With respect to the Tender Offer Price and other terms and conditions of the Tender Offer, given that (i)(a) the Tender Offer Price is higher than both of the highest price of the range of calculation results derived from the discounted cash flow analysis ("DCF Analysis") and the price of the range of the calculation results derived from the market share price analysis that are the results of calculation by PLUTUS as described in "(i) Obtaining share valuation reports and a fairness opinion from an independent third-party appraiser" of "(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" below, and (b) the Tender Offer Price includes a premium of approximately 15.8% (rounded to one decimal place) on 1,045 yen, which is the regular trading closing price of the Target Company's Common Stock quoted on the TSE on November 28, 2016 (the business day immediately preceding the announcement date for the Tender Offer), a premium of approximately 17.4% (rounded to one decimal place) on 1,031 yen (rounded to the nearest whole yen), which is the simple average regular trading closing price for the last one month period (from October 31, 2016 to November 28, 2016), a

premium of approximately 16.0% (rounded to one decimal place) on 1,043 yen (rounded to the nearest whole yen), which is the simple average regular trading closing price for the last three month period (from August 29, 2016 to November 28, 2016), and a premium of approximately 12.5% (rounded to one decimal place) on 1,076 yen (rounded to the nearest whole yen), which is the simple average regular trading closing price for the last six month period (from May 30, 2016 to November 28, 2016), which premiums are considered to have a certain degree of reasonableness, (ii) as a result of the Target Company having a number of consultations and negotiations with MBK Partners Group, and requesting MBK Partners Group to reconsider the tender offer price, MBK Partners Group presented the Tender Offer Price as described above, (iii) although the Target Company has conducted a market check on several candidates for sponsors, there was no candidate that presented conditions that would be more favorable to the Target Company's shareholders than the terms and conditions of the Transaction including the Tender Offer Price as described in "(v) Conducting of market check" of "(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest," (iv) the Tender Offer Price has been determined after sufficiently taking measures to resolve conflicts of interests as described in "(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest," the Target Company determined with the unanimous approval of all the directors at the Board of Directors meeting held today that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable for the Target Company's shareholders, and that the Tender Offer provides to the Target Company's shareholders an opportunity to sell shares at a price with reasonable premiums, and has resolved that it recommends that the Target Company's shareholders accept the Tender Offer.

d. Management Policy After the Tender Offer

(a) Further acceleration of acquisition of golf courses and golf ranges in Japan and overseas

The Tender Offeror will accelerate the active acquisition strategy in respect of golf courses and golf ranges by re-establishing the organizational system for acquisition and financing in a smoother manner in cooperation with the Target Company, by privatizing the Target Company and becoming a shareholder of the Target Company while re-allocating cash flow to the acquisition of golf courses and golf ranges in Japan and overseas that are currently largely allocated to returns to shareholders.

(b) Improving the value of the operation of the golf courses through improving the course quality and the comfort of round and enforcing the point system, etc.

To maximize the value of the operation of the golf courses by the Target Company, the Tender Offeror will actively make investment to improve the quality of golf courses that are the most important products for golf course companies including the improvement of lawn quality by investment in facilities, investment in services that realize comfortable rounds including implementation of measures such as the introduction of the latest model of cart, scientific causation analysis of congestion, the reconstruction of courses targeting relief of crowded courses, investment in technology realizing new golf style including the version-up of systems for reservation and check-in/check-out and upgrade investment including the investments to improve interior decorating, furniture and scenery of courses in order to construct the brands that maximize the characteristics of courses. In addition, the Tender Offeror will enforce the promotion for obtaining long-term customers by enforcement of the point system and expansion of membership privileges, etc., and will aim to improve the satisfaction and loyalty of every existing member of golf courses and other users. In addition, the Target Company will expand the golf market on a long-term basis by expanding the range of golfers, including young and female golfers, through actively conducting facility investment in the club house, etc., targeting female golfers, etc., improvement in operations, and promotion of attracting customers.

(c) Further overseas expansion

The Tender Offeror aims to further increase the number of new customers through acquisition of, and establishment of alliances with, overseas golf course and procurement of business from inbound demand expected to expand in future.

(d) Maintenance in respect of the treatment of the current management and employees

In principle, the treatment of directors who execute business and employees of the Target Company will remain the same. Personnel may be reinforced from outside sources as necessary. The treatment, etc. of outside officers will be determined through consultation with the Target Company.

(e) Dispatch of directors from MBK Partners Group

After the completion of the Tender Offer, the majority of the directors will be sent from MBK Partners Group and MBK Partners Group will administer the board of directors in compliance with laws and regulations, the articles of incorporation, etc. The directors to be dispatched have not been determined as of today. As stated above, after the completion of the Tender Offer, the current management of the Target Company including directors who execute the business of the Target Company will continue to participate in the management of the Target Company.

(3) Details of Material Agreements between the Tender Offeror and the Major Shareholders Group Concerning the Tendering of Shares

With respect to the Tender Offer, the Tender Offeror executed the Tender Offer Agreement. The Major Shareholders Group agrees to tender all the Target Company's Common Stock held by them at the time of tendering pursuant to the Tender Offer Agreement. The number of Target Company's Common Stock held by Major Shareholders Group as of the execution date of the Tender Offer Agreement is as follows:

Reno, Inc.:	7,000,000 shares (diluted shareholding :9.93%),
Ms. Aya Nomura:	6,955,900 shares (diluted shareholding :9.87%) and
Office Support Corporation :	2,100,000 shares (diluted shareholding :2.98%).

In the Tender Offer Agreement, as the conditions precedent of the tender by the Major Shareholders Group, it is provided that (i) the representations and warranties by the Tender Offeror (Note 1) are true and correct in material respects and (ii) the Tender Offeror does not violate the material obligations (Note 2) under the Tender Offer Agreement are both satisfied or waived in writing by the Major Shareholders Group. In addition, the Major Shareholders Group agrees that (i) it does not further acquire the Target Company's Common Stock until the expiring date of Tender Offer Period; (ii) it will not increase the Ownership Ratio of Share Certificates, etc. related to the Target Company's Common Stock jointly calculated with the joint holder by additional share acquisition or change of a joint holder; (iii) with respect to the Target Company's Common Stock, it will not make any request to person(s) who had become the joint holder of the Major Shareholders Group prior to the execution date of the Tender Offer Agreement or any other persons with whom the Major Shareholders Group has a certain relationship, which would result in exceeding 5% of the shareholding ratio in respect of the Target Company's Common Stock totaled with the joint holder(s) of such person; (iv) until the expiring date of Tender Offer Period, it does not exercise the claim for convocation, the right to propose agenda, and the right to propose proposals for the shareholders' meeting to the Target Company without approval of the Tender Offeror; and (v) if the Tender Offer is consummated, it delegates, etc., at the request of the Tender Offeror, to exercise the rights on the Target Company's Common Stock owned by the Major Shareholders Group, at the shareholders' meeting of the Target Company (if any) held by making the date before the commencement date of the settlement of the Tender Offer as the record date (Note 3).

In addition, in the Tender Offer Agreement, if a tender offer of the Target Company's Common Stock and that the tender offer price of the Target Company's Common Stock exceeds the Tender Offer Price (the "Counter Tender Offer") commences during the Tender Offer Period, it is provided that, by the day seven (7) business days prior to the end of the tender offer period of the Counter Tender Offer or the end of the Tender Offer Period of the Tender Offer, whichever comes earlier, the Major Shareholders Group may offer the Counter Tender Offer after the relevant day, unless the Tender Offer Price changes to a price higher than the tender offer price of the Target Company's Common Stock in the Counter Tender Offer. In addition, in the Tender Offer Agreement, the Major

Shareholders Group may sell in the market the Target Company's Common Stock held by itself during the Tender Offer Period only if such sales price exceeds the Tender Offer Price.

(Note 1) In the Tender Offer Agreement, the Tender Offeror represents and warrants to the Major Shareholders Group (i) legal and effective incorporation and continued existence; (ii) the capacity to hold rights and the capacity for action on the execution of the Tender Offer Agreement and performance of internal procedures; (iii) the legally binding effect and enforceability of the Tender Offer Agreement; (iv) that there exists no conflict with the laws and ordinances; (v) acquisition of the approvals; and (vi) no relation with anti-social forces and that there exists no transactions with anti-social forces.

(Note 2) In the Tender Offer Agreement, the Tender Offeror has an indemnification obligation on the representations and warranties or the breach of obligations by the Tender Offeror; duty of confidentiality and an obligation on prohibiting the unintended use of confidential information; an obligation on prohibiting the disposition of status under the Tender Offer Agreement and the rights and obligations thereunder; and an obligation to consult in good faith.

(Note 3) The Major Shareholders Group agrees to conduct the exercise of rights on the Target Company's Common Stock at the shareholders meeting mentioned above pursuant to the direction by the Tender Offeror or grant the proxy thereof to the Tender Offeror or a third party designated by the Tender Offeror.

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

The Tender Offer is not a so-called MBO ((i) a tender offer where the tender offeror is the director or officer of the target company or (ii) a tender offer where the tender offeror conducts the tender offer at the request of the directors or officers of the target company and the tender offeror shares its benefits with the directors or officers of the target company). Also, as the Tender Offeror has not owned any voting rights of the Target Company today or any time before, the Tender Offer is not a transaction where the controlling shareholder becomes an offeror.

However, the Tender Offeror and the Target Company have taken the following measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest.

a. Obtaining share valuation reports and a fairness opinion from an independent third-party appraiser

According to the Target Company's Notice, for the purpose of ensuring the fairness of such decision-making process, the Target Company requested PLUTUS, which acts in the capacity of a third-party valuation institution independent from both the Tender Offeror and the Target Company, and also does not fall under related parties, to evaluate the Target Company's shares and the Target Company received the valuation report concerning the Target Company's Common Stock dated November 28, 2016. PLUTUS considered calculation methods to be adopted in the valuation of the Target Company's shares out of several calculation methods of the valuation of the Target Company's shares, and on the assumption that the Target Company is a going concern, calculated the valuation of the Target Company's stocks per share using the market price analysis since the market price exists with respect to the Target Company's shares and the DCF Analysis in order to reflect the future business activities in the calculation based on the opinion that it is appropriate for the value of the Target Company's Common Stock to be calculated using various methods.

The ranges of the values of the Target Company's Common Stock per share calculated by PLUTUS using each of the above methods are as follows:

Market price analysis	1,031 yen to 1,045 yen
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DCF analysis	962 yen to 1,139 yen
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According to the valuation report concerning the Target Company's Common Stock, the analysis by PLUTUS with respect to the value of the Target Company's shares is as follows.

In the market share price analysis, PLUTUS used November 28, 2016 as the base date and evaluated the value per share of the Target Company's Common Stock with a range from 1,031 yen to 1,045 yen, based on the regular trading closing price (1,045 Yen), and the simple average closing prices for the last one month (1,031 Yen), of the Target Company's Common Stock on the first section of TSE.

In the DCF analysis, PLUTUS evaluated the value per share of the Target Company's Common Stock with a range from 962 yen to 1,139 yen, by discounting the free cash flow ("FCF") that the Target Company is expected to generate after the 3rd quarter of the fiscal year ending March 2017 by certain discount rates, based on the Target Company's business plan for the period from the fiscal year ending March 2017 to the fiscal year ending March 2020 prepared by the Target Company, interviews with the Target Company, and future profit forecasts of the Target Company that take into account various factors such as publicly disclosed information.

The financial forecasts based on the Target Company's business plan on which the above DCF analysis is based are as follows:

(unit: one million yen)	Fiscal Year Ending March 2017 (second half)*1	Fiscal Year Ending March 2018	Fiscal Year Ending March 2019	Fiscal Year Ending March 2020
Operating revenue	24,264	50,338	51,024	49,796
Operating profits*2	4,130	7,163	7,144	7,179
EBITDA*3	6,254	11,816	11,840	11,596
FCF	Δ227	2,264	7,956	5,411

\*1 For the period of six months from October 2016 to March 2017.

\*2 Does not include fiscal years for which a significant increase or decrease in profits is expected compared to the respective previous fiscal year.

\*3 Operating profits + Depreciation + Goodwill amortization

\*4 For preparing the financial forecast above, out of the effects expected to be realized by various measures after implementing the Transaction, the cost reduction related to the listing due to delisting, the effect to accelerate the acquisition and sale of golf courses and golf ranges after the Transaction, and the approximation of expenses to be borne by the Target Company concerning the Transaction are considered.

Moreover, according to the Target Company's Notice, the Target Company obtained an opinion (a fairness opinion) from PLUTUS as of November 28, 2016 stating that the Tender Offer Price is not disadvantageous to the minority shareholders from a financial perspective and is reasonable.

Note: In preparing and submitting the fairness opinion, etc. and conducting the calculation of the share value underlying the opinion, PLUTUS has relied upon the assumptions that all information and base materials that were furnished by, or discussed with, the Target Company and all publicly available materials were accurate and complete and that no fact exists that could materially affect the analyses and calculation of the share value of the Target Company's common shares and not disclosed to PLUTUS, and PLUTUS has not independently researched or verified, nor has PLUTUS assumed responsibility or liability for independently researching or verifying, any such information.

Moreover, PLUTUS has not independently evaluated or assessed the assets and liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Target Company and its related companies including the analysis and evaluation of individual assets and liabilities, and has not evaluated the creditworthiness of the Target Company under applicable laws or ordinances in respect of insolvency, suspension of payment or similar matters. PLUTUS has not been provided with any valuation or appraisal thereof. In addition, PLUTUS assumes that the Target Company's business plan and other materials used as base materials for preparing the fairness opinion, etc. were reasonably prepared based on the best estimates and judgments available at the time, and PLUTUS expresses no view as to the analyses or forecasts subject to which they were prepared or the assumptions on which they were based.

The fairness opinion, etc. constitutes an expression of opinion as of the date of its preparation regarding whether the Tender Offer Price is reasonable for the Target Company's shareholders from a financial perspective, and such opinion is based on the premise of the financial and capital markets, economic conditions and other environments as of the preparation date, and based on the information that PLUTUS has obtained on or before the preparation date, and the content of the fairness opinion, etc. may be affected by subsequent changes in circumstances. In such case, PLUTUS will not, however, be obligated to update, revise or supplement the content of the fairness opinion, etc. In the fairness opinion, etc. PLUTUS does not infer or indicate any opinion other than those expressly indicated in the fairness opinion, etc. or with respect to the matters after the submission date of the fairness opinion, etc. The fairness opinion, etc. only indicates an opinion that the Tender Offer Price is not disadvantageous to the minority shareholders from a financial perspective and is reasonable. The fairness opinion, etc. does not constitute an expression of opinion or a recommendation regarding whether it is right to implement the Tender Offer or not, or regarding the tendering of shares in the Tender Offer, or regarding any other activities related to the Tender Offer, nor does it constitute any expression of opinion to the holders of securities issued by, or creditors and other related parties of the Target Company.

The fairness opinion, etc. was provided by PLUTUS for the purpose of being used as a base material upon the Target Company's Board of Directors making decisions regarding the Tender Offer Price, and therefore must not be relied upon by any other person.

b. Obtaining advice from an outside financial advisor and an outside law firm

According to the Target Company's Notice, the Target Company has obtained advice from MUMSS, an outside financial advisor, for the discussion and negotiation with MBK Partners Group and consideration of the Transaction described in "(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer" above.

In addition, according to the Target Company's Notice, in order to ensure fairness and appropriateness of the decision-making process, etc. concerning the Transaction, the Target Company retained MH&M as its outside legal advisor, and has obtained from MH&M legal advice in relation to the

methods and procedures concerning the decision-making with respect to the Transaction and other remarks on the decision-making with respect to the Transaction.

c. Obtaining opinions from an outside law firm independent from the Target Company

According to the Target Company's Notice, in order to confirm that the Target Company are not in breach of their fiduciary duties as directors regarding the decision-making process with respect to the Transaction, the Board of Directors of the Target Company retained Kasumimon Sogo Law Offices, a legal advisor independent from the Tender Offeror and the Target Company, and has obtained an opinion from Kasumimon Sogo Law Offices as of November 28, 2016 to the effect that because there were no careless errors in the understanding of the facts on which the determination was based with respect to the approval of the Tender Offer and recommendation to the shareholders to accept the Tender Offer, and the details of the determination based on such understanding of the facts are not significantly unreasonable, Kasumimon Sogo Law Offices believes that there was no breach of fiduciary duties or breach of care as a good manager by the directors.

d. Considerations and negotiations, etc. at the meeting of the Board of Directors of the Target Company, half of which consist of independent outside directors

According to the Target Company's Notice, after receiving the initial proposal from MBK Partners Group, at the meeting of the Board of Directors, half of which consist of independent outside directors (in addition, all four corporate auditors are independent outside corporate auditors), as described in "c. Decision Making Process of the Target Company to Agree to the Tender Offer" of "(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer," from the perspective of the effect of the Transaction on the corporate value of the Target Company and the effect of the Transaction on the shareholders' interests in the Target Company, the Target Company collected and considered the information and discussed and negotiated with MBK Partners. As a result, at a meeting of the board of directors of the Target Company held today, the directors resolved with the unanimous approval of all the directors that the Target Company will express its opinion to accept the Tender Offer, and also that the Target Company would recommend that the shareholders of the Target Company accept the Tender Offer. In addition, all of the corporate auditors present at such Board of Directors meeting expressed an opinion to the effect that the content of the aforementioned resolution by the Board of Directors is legitimate.

e. Implementation of Market Check

According to the Target Company's Notice, after receiving the letter of intent by MBK Partners in May 2015, in parallel with consultation with MBK Partners, the Target Company approached the sponsor candidates through MUMSS with respect to a strategic alliance including acquisition of the Target Company's shares (a so-called market check) and received proposals by several candidates regarding acquisition of the Target Company's shares. However, until November 29, 2016, none of the proposals were of a kind that would help the Target Company to solve its business problems to the same degree as the proposal of MBK Partners Group presented by November 29, 2016, and moreover, there was no candidate who presented more favorable conditions to the Target Company's shareholders than the various conditions of the Transaction including the Tender Offer Price and the certainty of execution of the transaction.

f. Measures to ensure acquisition opportunities, etc. for other investors

According to the Target Company's Notice, the Target Company has never agreed with the Tender Offeror nor any of its related parties on any matter that would restrict a counter-offeror from contracting or performing other acts with respect to the Target Company, including an agreement on a transaction protection clause that prohibits the Target Company from contracting any counter-offerors and gives consideration to ensure the fairness of the Tender Offer by ensuring an opportunity of counter-offer, etc.

In addition, the Target Company has set the Tender Offer Period for the Tender Offer at 30 business days, which is longer than the minimum tender offer period of 20 business days prescribed by laws



and ordinances. Setting a relatively long Tender Offer Period ensures an appropriate opportunity for the shareholders of the Target Company to make a decision whether to tender their shares in the Tender Offer as well as ensures an opportunity for any party other than the Tender Offeror to offer to purchase Target Company's shares, as a means of guarantee the appropriateness of the Tender Offer Price.

- (5) Policy for organizational restructuring, etc. after the Tender Offer (matters relating to so-called "two-tier acquisitions")

The Tender Offeror is conducting the Tender Offer for the purpose of ultimately acquiring all of the Target Company's Common Stock (excluding the treasury shares held by the Target Company); however, if the Tender Offeror cannot acquire all of the Target Company's Common Stock (excluding the treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror plans to take certain procedures so that the Tender Offeror will acquire all of the Target Company's Common Stock (excluding the treasury shares held by the Target Company) as follows (the "Procedures for Making Accordia Golf Co., Ltd. the Wholly-owned Subsidiary").

Upon completion of the Tender Offer, if the total number of voting rights of the Target Company owned by the Tender Offeror becomes at least 90% of the voting rights of all shareholders of the Target Company and the Tender Offeror becomes the special controlling shareholder set forth in Article 179, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"), the Tender Offeror plans to request all of Target Company's common shareholders (excluding the Target Company and the Tender Offeror) to sell all of the Target Company's Common Stock they own pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act (the "Demand for Shares Cash-Out").

In the Demand for Shares Cash-Out, the Tender Offeror plans to set forth that the amount equivalent to the Tender Offer Price will be paid as the price per the Target Company's Common Stock to the Target Company's common shareholders (excluding the Target Company and the Tender Offeror). In such case, the Tender Offeror will notify the Target Company to such effect and will require the Target Company to approve the Demand for Shares Cash-Out. If the Target Company approves the Demand for Shares Cash-Out by a resolution of the Board of Directors, in accordance with the procedures set forth in the relevant laws and ordinances, without individual approval by the shareholders of the Target Company, the Tender Offeror will acquire all of the Target Company's Common Stock owned by all shareholders of the Target Company (excluding the Target Company and the Tender Offeror) as of the acquisition date set forth in the Demand for Shares Cash-Out. Further, the Tender Offeror plans to deliver the amount equivalent to the Tender Offer Price to each of the relevant shareholders as the price per the Target Company's Common Stock owned by each of the relevant shareholders. In addition, according to the Target Company's Notice, if the Board of Directors of the Target Company receives the notice regarding the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act to the effect that the Tender Offeror will conduct the Demand for Shares Cash-Out, the Board of Directors of the Target Company plans to approve the Demand for Shares Cash-Out by the Tender Offeror.

Under the Companies Act, for the purpose of securing the rights of minority shareholders in relation to the Demand for Shares Cash-Out, it is provided that common shareholders of the Target Company who did not tender their stocks in the Tender Offer may file a petition with the court to determine the sale price of such common stock pursuant to the provisions of Article 179-8 of the Companies Act and other relevant laws or ordinances. In addition, if the petition above is filed, the purchase price of the common stock will ultimately be determined by the court.

On the other hand, after the completion of Tender Offers, if the total number of the Target Company's voting rights held by the Tender Offeror is less than 90%, subject to the effectiveness of the Stock Consolidation, the Tender Offeror plans to request the Target Company to hold an extraordinary shareholders meeting that includes each of the following as proposals submitted for deliberation: (x) a proposal regarding consolidation of the Target Company's Common Stock (the "Stock Consolidation") and (y) a proposal regarding amendment to the articles of incorporation for the purpose of abolishing the provision regarding the number of shares constituting one unit of stock. In

addition, the Tender Offeror plans to approve each of the relevant proposals at the relevant extraordinary shareholders meeting of the Target Company. If the proposal regarding the Stock Consolidation is approved at the relevant extraordinary shareholders meeting of the Target Company, as of the effective date of the Stock Consolidation, in the case where any fraction of one share arises, to Target Company's common shareholders, the amount of money to be obtained such as through the sale of the Target Company's Common Stock equivalent to the total of the fraction (any fraction of one share in the total will be rounded down; hereinafter the same) to the Target Company or the Tender Offeror, will be delivered pursuant to Article 234 of the Companies Act and other relevant laws or ordinances. After the sale price equivalent to the total of the fraction of shares is calculated so that the amount of money to be delivered to each of the Target Company's common shareholder who did not tender their shares in the Tender Offer as a result of such sale will be equal to the price obtained by multiplying (a) the Tender Offer Price by (b) the number of the Target Company's Common Stock held by the Target Company's shareholder, the Tender Offeror plans to request the Target Company to file a petition with the court for permission for sale by private contract.

The percentage of the Stock Consolidation is undetermined as of today; however, it will be determined in such manner that only the Tender Offeror will hold all of the Target Company's Common Stock and that the number of the Target Company's Common Stock owned by the Target Company's common shareholders (excluding the Target Company and the Tender Offeror) who did not tender their shares in the Tender Offer will be a fraction of one share.

Further, under the Companies Act, for the purpose of securing the rights of minority shareholders in relation to the Stock Consolidation, in the case where the Stock Consolidation is conducted and any fraction of one share arises, it is provided that the Target Company's common shareholders may request to the Target Company the purchase of all fractions of one share owned by them and file a petition for determination of the price for the acquisition of the Target Company's Common Stock pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws or ordinances. If this procedure is used, the purchase price per share will ultimately be determined by the court.

Each of the procedures above may take time to be implemented, according to the status of the governmental authorities' interpretation, etc., of the relevant laws and ordinances, the ownership percentage of shares of the Tender Offeror after the Tender Offer and the status of the ownership of the Target Company's Common Stock by the Target Company's common shareholders other than the Tender Offeror, or they may be changed to other methods with effects roughly equivalent thereto.

Provided, however, even in the case above, with respect to each of the Target Company's common shareholders (excluding the Target Company and the Tender Offeror) who did not tender their shares in the Tender Offer, the method calling for the delivery of money will ultimately be adopted, and in such case, the amount of money to be delivered to each of the Target Company's common shareholder will be equal to the price obtained by multiplying (a) the Tender Offer Price by (b) the number of the Target Company's Common Stock held by the Target Company's shareholder. In such case, the Tender Offeror or the Target Company, upon discussion with the Target Company and as soon as it is determined, will promptly announce which procedure among the above will be adopted and the timing of the implementation thereof.

In addition, the Tender Offer does not intend to solicit an endorsement of the Target Company's common shareholders in the extraordinary shareholders meeting above. Further, Target Company's common shareholders may need to consult with a tax accountant with respect to the tax treatment of tendering shares in the Tender Offer or each procedure describe above, at their own responsibility.

#### (6) Possibility of and reasons for delisting

The Target Company's Common Stock is currently listed on the First Section of TSE. However, since the Target Company has not set a maximum number of shares to be purchased in the Tender Offer, the Target Company's Common Stock may be delisted pursuant to the procedures prescribed by TSE in accordance with TSE's criteria for delisting shares, depending on the results of the Tender Offer. In addition, even if the Target Company's Common Stock does not fall under the criteria as of

the consummation of the Tender Offer, after the Tender Offer is consummated, the Tender Offeror plans to implement transactions in order to acquire all of the Target Company's Common Stock outstanding, as described in "(5) Policy for organizational restructuring, etc. after the Tender Offer (matters relating to so-called "two-tier acquisitions") pursuant to relevant laws or ordinances. In such case, the Target Company's Common Stock will be delisted pursuant to the procedures prescribed by TSE in accordance with TSE's criteria for delisting shares. The Target Company's Common Stock will not be able to be sold or purchased at TSE after delisting.

## 2. Outline of the Tender Offer

### (1) Outline of the Target Company

(1)	Name	Accordia Golf Co., Ltd.
(2)	Location	4-12-4, Higashi Shinagawa, Shinagawa-ku, Tokyo
(3)	Name and Title of Representative	Yuko Tashiro, President and Representative Director, Corporate Officer
(4)	Description of Business	Operation and management of golf course and driving ranges
(5)	Amount of Stated Capital	10,940,000,000 yen (as of November 29, 2016)
(6)	Date of Establishment	September, 1981
(7)	Major Shareholders and Shareholding Ratios (as of September 30, 2016)	Reno, Inc. 8.26% Aya Nomura 8.20% Office Support Corporation 2.47% Japan Trustee Services Bank, Ltd. (trust account) 2.38% The Master Trust Bank of Japan, Ltd (trust account) 1.13% Japan Trustee Services Bank, Ltd. (trust account 9) 1.10% Nomura Securities Co., Ltd. 1.08% THE BANK OF NEW YORK 134141 1.06% JP MORGAN CHASE BANK 385151 0.93% UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT 0.91%
(8)	Relationship between the Tender Offeror and the Target Company	
	Capital Relationship	The Tender Offeror owns one share of the Target Company's Common Stock.
	Personnel Relationship	There is no personnel relationship to be provided between the Tender Offeror and the Target Company. There is no personnel relationship to be provided between related individuals or companies of the Tender Offeror and related individuals or companies of the Target Company.
	Business Relationship	There is no business relationship to be provided between the Tender Offeror and the Target Company. There is no business relationship to be provided between related individuals or companies of the Tender Offeror and related individuals or companies of the Target Company.
	Status as Related Party	The Target Company does not constitute a related party to the Tender Offeror. Neither related individuals nor companies of the Target Company constitute a related party to the Tender Offeror.

### (2) Schedule, etc.

#### (i) Schedule

Date of Public Notice of Tender Offer	November 30, 2016 (Wednesday) Public disclosure will be made electronically, and a notice of such disclosure will be published in the Nihon Keizai Shimbun. (website address of electronic notice: <a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a> )
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Filing Date of Tender Offer Registration Statement	November 30, 2016 (Wednesday)
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(ii) Tender Offer Period as of the time of filing of the Registration Statement  
From Wednesday, November 30, 2016 through Wednesday, January 18, 2017 (30 business days)

(iii) Possible extension of the Tender Offer Period based on the Target Company's request  
N/A

(3) Tender Offer Price

1. Common stock ¥1,210 per share of the Target Company's Common Stock
2. Stock acquisition right ¥1 per unit of the Stock Acquisition Right

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

(i) Basis of Calculation

In determining the Tender Offer Price, the Tender Offeror took into consideration the financial information disclosed by the Target Company, results of due diligence conducted on the Target Company up to the middle of November, 2016, the premium rate of an actual example of the Tender Offer of Shares by a person other than the Issuer, ability or inability of obtaining the consent to conduct the Tender Offer at the meeting of the Board of Directors of the Target Company, market trend regarding the price performance of Target Company's Common Stock for the last six (6) month period and outlook for the tender of the Shares in the Tender Offer, and others. Details of such analysis of common stock are as follows:

Considering the fact that the Target Company's Common Stock is traded on financial instrument exchanges, the Tender Offeror used, as a reference, (i) closing price of the Target Company's Common Stock quoted on the TSE on November 28, 2016, which is the business day immediately preceding the announcement date of the Tender Offer (1,045 yen), (ii) simple average closing price quoted for the past one (1) month period (from October 31, 2016 to November 28, 2016) (any amount less than one (1) yen has been rounded to the nearest one (1) yen; the same shall apply to the calculation of simple average price.) (1,031 yen), (iii) simple average closing price quoted for the last three (3) month period (from August 29, 2016 to November 28, 2016) (1,043 yen) and (iv) simple average closing price quoted for the last six (6) month period (from May 30, 2016 to November 28, 2016) (1,076 yen). In addition, the last six (6) month period based on November 28, 2016, which is the reference date as stated above, include the Certain Media Coverage Impact Period; therefore, reference was also made regarding (i) closing price of the Target Company's Common Stock quoted on the TSE on July 14, 2016, which is the last trading day immediately preceding such Certain Media Coverage Impact Period (1,079 yen), (ii) simple average closing price quoted for the last one (1) month period based on the reference date as of July 14, 2016 (from June 15, 2016 to July 14, 2016) (1,041 yen), (iii) simple average closing price quoted for the last three (3) month period based on the reference date as of July 14, 2016 (from April 15, 2016 to July 14, 2016) (1,034 yen), and (iv) simple average closing price quoted for the last six (6) month period based on the reference date as of July 14, 2016 (from January 15, 2016 to July 14, 2016) (1,056 yen). Furthermore, by comprehensively taking into account such factors as (a) whether the Target Company would support the Tender Offer and (b) prospect of consummation of the Tender Offer, and after consultation and negotiation with the Target Company, the Tender Offeror determined the Tender Offer Price to be 1,210 yen today. Since the Tender Offeror determined the Tender Offer Price by comprehensively taking into account the above factors and after consultation and negotiation with the Target Company, it has not obtained a share valuation report regarding the Target Company's Common Stock from any third-party appraiser.

The Tender Offer Price includes (a) a premium of 15.8% (rounded to one decimal place; the same shall apply to the calculation of premium hereunder) on 1,045 yen, which is the closing price of the Target Company's Common Stock quoted on the TSE on November 28, 2016, which is the business day immediately preceding the announcement date of the Tender Offer, (b) a premium of 17.4% on

1,031 yen, which is the simple average closing price of the Target Company's Common Stock quoted for the past one (1) month period (from October 31, 2016 to November 28, 2016), (c) a premium of 16.0% on 1,043 yen, which is the simple average closing price of the Target Company's Common Stock quoted for the last three (3) month period (from August 29, 2016 to November 28, 2016), and (d) a premium of 12.5% on 1,076 yen, which is the simple average closing price of the Target Company's Common Stock quoted for the last six (6) month period (from May 30, 2016 to November 28, 2016).

The Tender Offer Price has a difference of 188 yen from the price of the Target Company's Common Stock at which the Tender Offeror acquired the Target Company's Common Stock from Mr. Junichi Toda, who is the shareholder of the Target Company in November 2016 (1,022 yen per share, the closing price of the Target Company's Common Stock quoted on the TSE on November 16, 2016). This difference was caused due to the fluctuation of price of the Target Company's Common Stock and the premium.

While the Stock Acquisition Rights are technically subject to the Tender Offer and the exercise period of the Stock Acquisition Rights began as of today, the exercise period will terminate after November 30, 2016 has passed, which is prior to the termination of the Tender Offer Period and all of the Stock Acquisition Rights will lapse. Further, as the Tender Offer Price (1,210 yen) is lower than 1,316 yen, the exercise price of the Stock Acquisition Rights, the exercise of them will not generate any profits. Considering these circumstances, the Tender Offeror has determined that the Tender Offer Price per unit of the Stock Acquisition Rights shall be 1 yen.

## (ii) Background of Calculation

(Background of the determination of the Tender Offer Price and the purchase price)

In December 2014, MBK Partners Group received a referral from Daiwa Securities, the financial advisor of the Tender Offeror, where the Target Company was introduced as a target and received opportunities to discuss each of the management issues of the Target Company, described in "a. Business Environment Surrounding the Target Company and Management Issues of the Target Company" of "(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer" of "1. Purpose of Tender Offer" above, with the Target Company. Thereafter, MBK Partners Group performed an initial evaluation in cooperation with the Target Company based on information provided by the Target Company and, on February 6, 2015, MBL Partners made a proposal to conduct a more detailed evaluation of such cooperation between the Target Company and MBK Partners Group, based on the assumption that MBK Partners Group would privatize the Target Company through a tender offer, in order to resolve the management issues and achieve medium and long-term growth in respect of the Target Company. After making such a proposal, MBK Partners Group deepened its understanding of the business of the Target Company, the business environment surrounding the Target Company and the management issues of the Target Company, through continued discussions with the Target Company and a due diligence investigation (such due diligence was conducted intermittently during the process of the negotiation and was finally completed in the middle of November, 2016) on the Target Company and MBK Partners Group made further evaluations of the future growth strategies of the Target Company.

During such process, MBK Partners Group noted that the following implementation; (i) "acceleration of the acquisition of golf courses and golf ranges to expand the number of golf courses that it manages," (ii) "improvement of brand value by further improving the quality of golf course management" and (iii) "acquisition of, and establishment of alliances with, overseas golf courses," "procurement of business from inbound demand (foreign visitors to Japan) expected to expand in future," etc. are the key to improving the corporate value of the Target Company. Consequently, MBK Partners Group has come to recognize that privatization of the Target Company and expeditious management judgment are particularly efficient options to accelerate the decision-making for acquisition of golf courses, etc., and flexibly cope with changes in the market environment in the future.

In order to maximize the profits of golf courses, it is essential to make a large-scale capital investment and to improve the quality of services and the golf courses; however, those implementations may result in a decrease in profits and cash flow to the Target Company on a temporary basis. Thus, MBK Partners Group concluded that it would be difficult to avoid temporary adverse economic effects on the existing shareholders of the Target Company while remaining listed and to conduct a large-scale reform of business operations in the short term while remaining listed in the current situation.

As a result of the above evaluation, MBK Partners Group submitted a preliminary letter of intent concerning the Transaction on May 25, 2015 based on its belief that the implementation of the various strategies set forth in “d. Management Policy After the Tender Offer” of “(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer” of “1. Purpose of Tender Offer” above after privatizing the Target Company will be key to resolving the management issues of the Target Company, the achievement of medium and long-term growth and the further improvement of the corporate value of the Target Company. Although negotiations were subsequently conducted with the Target Company on whether to implement the Transaction, taking into consideration unstable movement of the Target Company's share price around July 2015, the timing of the implementation of the Transaction was determined to be reformed in August, 2015. Thereafter, MBK Partners Group still continued the discussion with the Target Company with respect to its business strategy. During such process, it was recognized that (i) the Target Company would have several maturing borrowings during 2016, and (ii) a series of implementations may be required by the Target Company which include a temporary increase in the financial burden, as described in above “a. Business Environment Surrounding the Target Company and Management Issues of the Target Company” of “(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer” of “1. Purpose of Tender Offer.” According to such situation of the Target Company, it might be difficult for the Target Company to control both making returns to its shareholders as a listed company and raising funds on conditions favorable to the Target Company. Thus, MBK Partners Group and the Target Company reached the consensus to re-accelerate the discussion towards the implementation of the Transaction around the middle of April 2016, and MBK Partners Group conducted several consultations and negotiations with the Target Company concerning the appropriateness of conducting the Transaction and the conditions thereof. However, the situation regarding the implementation of the Transaction was still unclear since a certain media reported news relating to the Tender Offer on July 14, 2016 (Note 1), and the Target Company's share price resulted in unstable movement and it took some time for the negotiation in relation to the fund raising by MBK Partners Group for the Transaction. As the Target Company's share price became stable in September 2016 and the raising of funds (112,500,000,000 yen, such funds can be allocated to a part of the funds for the acquisition of the Target Company's Common Stock in the Transaction including incidental expenses (86,250,524,860 yen (Note 2)), the funds for repayment of the existing borrowings of the Target Company and its consolidated subsidiaries including incidental expenses (63,606,450,000 yen as of September 30, 2016 (Note 3)) and the working capital, etc. of the Target Company and its consolidated subsidiaries) ) from the Subscriber on the conditions satisfactory to MBK Partners Group was prepared subsequently, MBK Partners Group provided the letter of intent concerning the Tender Offer on October 31, 2016. Thereafter, MBK Partners Group discussed with the Target Company the Tender Offer Price and other terms, including the receipt of the request for reconsideration of the Tender Offer Price from the Target Company.

MBK Partners Group notified the Major Shareholders Group at the beginning of November 2016, which was timing that showed the negotiation with the Target Company had provided reasonable progress, that it would implement the Tender Offer and MBK Partners Group requested the Major Shareholders Group to enter into the Tender Offer Agreement. On this occasion, MBK Partners Group explained to the Major Shareholder Group the issues of the Target Company and the meaning and importance of the Tender Offer to improve the corporate value of the Target Company as stated in “a. Business Environment Surrounding the Target Company and Management Issues of the Target Company” of “(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer” of “1. Purpose of Tender Offer” above, and the Major Shareholders Group acknowledged them. Thereafter, the MBK Partners Group and the Major Shareholders Group continued the negotiation with respect to the contents of the Tender Offer Agreement. Concurrently with the negotiation with the Target Company on the Tender Offer Price, MBK Partners Group requested the Major Shareholders Group to tender the Target Company's common stock in the Tender Offer at the Tender Offer Price 1,200 yen proposed to the Target Company in the letter of intent concerning the Tender Offer. In response to such request, in the middle of November, the Major Shareholders Group requested MBK Partners Group to reconsider the Tender Offer Price so that many shareholders of the Target Company other than the Major Shareholders Group would tender the Target Company's common stock in the Tender Offer. Based on such request, MBK Partners Group discussed the Tender Offer Price with the Target Company. Subsequently, on November 23, 2016, MBK Partners Group made the final proposal to the Major Shareholders Group to implement the Tender Offer at the Tender Offer Price 1,210 yen as discussed by and between MBK Partners Group and the Target Company, and the Major Shareholders Group accepted this proposal on the same day. Accordingly, on November 23, 2016, the Major Shareholders agreed to enter into the Tender Offer Agreement at the Tender

Offer Price. For details of the Tender Offer Agreement, please refer to “(3) Details of Material Agreements between the Tender Offeror and the Major Shareholders Group Concerning the Tendering of Shares” of “1. Purpose of Tender Offer” above.

Between MBK Partners Group and the Target Company, based on the results of the aforementioned discussion including the request from the Target Company to reconsider the Tender Offer Price and the aforementioned request from the Major Shareholders Group, MBK Partners Group made the final proposal to set the Tender Offer Price per share at 1,210 yen on November 23, 2016 and decided to implement the Tender Offer today.

(Note 1) Please refer to “Notice Regarding Certain Media Coverage” of the Target Company's Notice dated July 15, 2016. With respect to such news reports, another news was reported on August 26, 2016 (Please refer to “Notice Regarding Certain Media Coverage Last Week” of the Target Company's Notice dated August 29, 2016.); however, the Tender Offeror was not involved in either of the news reports.

(Note 2) The stated amount is the funds required for purchase with respect to the Tender Offer (i.e. the total of the amount stated in “(7) Aggregate Tender Offer Price” of “2. Outline of the Tender Offer” below, the estimated amount of commission to be paid to the Tender Offer Agent, and the estimated fees and expenses pertaining to the public notice regarding this Tender Offer, for printing the Tender Offer Explanation Statement and other necessary documents, and other fees and expenses).

(Note 3) 63,606,450,000 yen is an aggregate of short-term borrowings (3,300,000,000 yen), commercial paper (4,998,581,000 yen), long-term borrowings due within one year (23,686,428,000 yen) and long-term borrowings (31,621,441,000 yen) which are described in the consolidated balance sheet as of September 30, 2016 that is included in the Target Company's 38th FY 2Q Securities Report.

In determining the Tender Offer Price, the Tender Offeror took into consideration the financial information disclosed by the Target Company, results of due diligence conducted on the Target Company up to the middle of November, 2016, the premium rate of an actual example of the Tender Offer of Shares by a person other than the Issuer, ability or inability of obtaining the consent to conduct the Tender Offer at the meeting of the Board of Directors of the Target Company, the market trend regarding the price performance of the Target Company's Common Stock for the last six (6) month period, outlook for the tender of the Shares in the Tender Offer, and others. Based upon the foregoing, the Tender Offeror determined the Tender Offer Price to be 1,210 yen per share today as described in “Basis of Calculation” above. Since the Tender Offeror determined the Tender Offer Price by comprehensively taking into account the above factors and after consultation and negotiation with the Target Company, it has not obtained a share valuation report regarding the Target Company's Common Stock from any third-party appraiser.

(5) Number of Shares to be Purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
70,504,566 (shares)	47,003,100 (shares)	-

(Note 1) If the total number of the Tendered Shares, Etc. is less than the number indicated in the minimum number of shares to be purchased (47,003,100 shares), none of the Tendered Shares, Etc. will be purchased by the Tender Offeror. If the total number of the Tendered Shares, Etc. is equal to or more than the number indicated in the minimum number of shares to be purchased (47,003,100 shares), all of the Tendered Shares, Etc. shall be purchased. The minimum number of shares to be purchased shall be the number that is equivalent to two-thirds (2/3) of the number of the Target Company's Common Stock held by the Target Company (except for treasury shares) at the time of the commencement of the Tender Offer (70,504,567 shares) (any number less than 100 shares, which is one unit shall be rounded up).

(Note 2) Since the Tender Offeror has not set a maximum number of shares to be purchased, the number of shares to be purchased is obtained by deducting (a) the number of treasury shares held by the Target Company stated in the Target Company's 38th FY 2Q Securities Report (14,234,433 shares), from (b) the number of issued shares stated in the Target Company's 38th FY 2Q Securities Report (84,739,000 shares) (equating to 70,504,567 shares) and further deducting the number of share held by the Tender Offeror as of today by the Tender Offeror (1 share) (equating to 70,504,566). As the Exercise Price (1,316 yen) of the Stock Acquisition Rights (i.e., 141,843 units as of today; the total number of the Target Company's Common Stock to be issued at the exercise of the Stock Acquisition Rights is 15,197,462 shares) is higher than the Tender Offer Price (1,210 yen), the Tender Offeror believes that all or part of the Stock Acquisition Rights will not be exercised during the Tender Offer Period. Therefore, no diluted shareholding upon the exercise of the Stock Acquisition Rights is considered for the purpose of the calculation of the number of shares to be purchased.

(Note 3) Shares constituting less than a whole unit will also be subject to purchase through the Tender Offer. The Target Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act to require the Target Company to purchase shares constituting less than a whole unit.

(6) Transfer of Ownership Percentage of Shares through Tender Offer

Number of Voting Rights Represented by Shares Held by the Tender Offeror before the Tender Offer	0	(Ownership Percentage of Shares before the Tender Offer: 0%)
Number of Voting Rights Represented by Shares Held by the Specially Related Parties before the Tender Offer	0	(Ownership Percentage of Shares before the Tender Offer: 0%)
Number of Voting Rights Represented by Shares Held by the Tender Offeror after the Tender Offer	705,045	(Ownership Percentage of Shares after the Tender Offer: 100%)
Number of Voting Rights Represented by Shares Held by the Specially Related Parties after the Tender Offer	0	(Ownership Percentage of Shares after the Tender Offer: 0%)
Total Number of Voting Rights of All Shareholders of the Target Company	705,000	

(Note 1) The "Number of Voting Rights Represented by Shares Held by the Specially Related Parties before the Tender Offer" represents the total number of voting rights with respect to the number of shares held by each specially related party (excluding the parties that are excluded from the Specially Related Parties pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Ordinance Concerning the Disclosure of Tender Offers for Shares, Etc., by Persons Other Than Issuers (Ministry of Finance Ordinance No. 38 of 1990, as amended) (the "TOB Order") in the calculation of the shareholding ratio prescribed in each Item of Article 27-2, Paragraph 1 of the Act).

(Note 2) The "Number of Voting Rights Represented by Shares Held by the Tender Offeror after the Tender Offer" is the number of voting rights (705,045 voting rights) with respect to the number of shares to be purchased in the Tender Offer (70,504,566 shares).

(Note 3) The "Total Number of Voting Rights of All Shareholders of the Target Company" represents the total number of voting rights of all shareholders of the Target Company as of September 30, 2016, as described in the Target Company's 38th FY 2Q Securities Report (described on the assumption that 1 unit is 100 shares). However, as all the common stocks including fractional shares less than one unit issued by the Target Company are subject to the Tender Offer, the denominator is the number of voting rights (705,045) corresponding to the number of shares (70,504,567 shares) obtained by deducting (a) the number of treasury shares held by the Target Company stated in the Target Company's 38th FY 2Q Securities Report (14,234,433 shares), from (b) the number of issued shares stated in the Target Company's 38th FY 2Q Securities Report (84,739,000 shares) in calculating the "Ownership Percentage of Shares before the Tender Offer" and the "Ownership Percentage of Shares after the Tender Offer". As of today, stock acquisition rights have been issued by the Target Company, however, the exercise period of these stock acquisition rights will terminate after November 30, 2016 has passed, which is prior to the termination of the Tender Offer Period, and all of such acquisition rights will lapse. In addition, the Tender Offeror



considers that all or part of the stock acquisition rights will not be exercised. Accordingly, the Tender Offeror does not take into account the Number of Issuable Shares for the Stock Acquisition Rights in calculating the “Ownership Percentage of Shares before the Tender Offer” and “Ownership Percentage of Shares after the Tender Offer”.

(Note 4) The “Ownership Percentage of Shares before the Tender Offer” and the “Ownership Percentage of Shares after the Tender Offer” are rounded to the nearest hundredth of a percent.

(7) Aggregate Tender Offer Price ¥85,310,524,860

(Note) The “Aggregate Tender Offer Price” is calculated by multiplying the number of shares intended to be purchased upon the Tender Offer (70,504,566 shares) by the Tender Offer Price per share (1,210 yen). The Tender Offeror considers that all or part of the stock acquisition rights will not be exercised during the Tender Offer Period. Theoretical maximum amount of “Aggregate Tender Offer Price” is (103,699,453,880 yen), which is obtained by multiplying the Tender Offer Price per share (1,210 yen) by the number of shares (85,702,028 shares) after adding all of the Issuable Shares (15,197,462 shares) in the case where all of the stock acquisition rights (141,843 as of today) are exercised by the exercise period (November 30, 2016) to the number of shares to be acquired (70,504,566 shares).

(8) Method of Settlement

(i) Name and Address of the Head Office of the Securities Corporation /Banks in Charge of Settlement for Purchase

Daiwa Securities Co., Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(ii) Settlement Commencement Date

January 25, 2017 (Wednesday)

(iii) Method of Settlement

A notice of purchase by way of the Tender Offer will be mailed to the address or location of each Tendering Shareholder (or the address of the standing proxy in the case of Foreign Shareholders) promptly after the end of the Tender Offer Period.

Payment of the purchase price will be made in cash. The Tender Offer Agent will, in accordance with the instructions of the Tendering Shareholders, remit the purchase price for the shares of the Tender Offer promptly after the commencement date of settlement to the location designated by the Tendering Shareholder (or the standing proxy in the case of Foreign Shareholders) (a remittance fee may be charged) or make the payment to the account of the Tendering Shareholder through which the Tender Offer Agent accepted the tender thereof.

(iv) Method of Returning Shares

If all of the shares will not be purchased in accordance with the terms described in “(i) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Act and Details thereof” or “(ii) Conditions of Withdrawal, etc. of Tender Offer, Details thereof and Method of Disclosure of Withdrawal” under “9. Other Conditions and Methods of Purchase” below, the tendered shares that are required to be returned will be returned to the Tendering Shareholders promptly after two (2) business days following the last day of the Tender Offer Period (the day of the withdrawal, etc. if the Tender Offer is withdrawn, etc.) by restoring, with respect to common stocks, the account of the Tendering Shareholder opened with the Tender Offer Agent to the original state as of such tender and by returning, with respect to the Stock Subscription Rights, the documents submitted upon the tender for the Stock Acquisition Rights by mail or delivery.

(9) Other Conditions and Methods of Purchase

(i) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Act and Details thereof

If the total number of the Tendered Shares, Etc. is less than the minimum number of shares intended to be purchased (47,003,100 shares), none of the Tendered Shares, Etc. will be purchased by the Tender Offeror.

If the total number of the Tendered Shares, Etc. is equal to or more than the minimum number of shares intended to be purchased (47,003,100 shares), all of the Tendered Shares, Etc. will be purchased by the Tender Offeror.

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

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and Items 1.12 through 1.18, Item 2, Items 3.1 through 3.8 and 3.10, Item 4, as well as Article 14, Paragraph 2, Items 3 through 6 of the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended, the “Enforcement Order”), the Tender Offer may be withdrawn. In the Tender Offer, the “matters equivalent to the matters listed in Items 1.1 through 1.9” in Article 14, Paragraph 1, Item 3.10 of the Enforcement Order means the cases where (i) it is found that there is a false statement regarding, or an omission of, a material matter to be stated, in the statutory disclosure documents which the Target Company submitted in the past, and (ii) there is an occurrence of any event listed in Items 1.1 through 1.9 with respect to a significant subsidiary of the Target Company.

The Tender Offer may also be withdrawn as a case where the “Approvals” under Article 14, Paragraph 1, Item 4 of the Enforcement Order is not obtained if, prior to the expiring date of the Tender Offer Period (including any extensions), the Minister of Finance and the competent minister for the business finds that the Tender Offer, which a filing thereof was made by the Tender Offeror pursuant to Article 27, Paragraph 1 of the Foreign Exchange Act, falls under an inward direct investment, etc. pertaining to national security, etc. and the waiting period (during which the Tender Offeror may not obtain the common stocks of the Target Company) is extended.

Should the Tender Offeror intend to withdraw the Tender Offer, it will give public notice thereof through electronic disclosure as well as in the *Nihon Keizai Shimbun*; provided, that if it is difficult to give such notice within the Tender Offer Period, the Tender Offeror will make an official announcement pursuant to Article 20 of the TOB Order and forthwith give public notice.

(iii) Conditions of Reduction of Purchase Price, Details thereof and Method of Disclosure of Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company takes any action set forth in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the tender offer price pursuant to standards set forth in Article 19, Paragraph 1, of the TOB Order.

Should the Tender Offeror intend to reduce the tender offer price, it will give public notice thereof through electronic disclosure as well as in the *Nihon Keizai Shimbun*; provided, that if it is difficult to give such notice within the Tender Offer Period, the Tender Offeror will make an official announcement pursuant to Article 20 of the TOB Order and forthwith give public notice. If the tender offer price is reduced, the Tender Offeror will purchase the Tendered Shares, Etc. tendered on or prior to the public notice at the reduced tender offer price.

(iv) Matters Concerning Tendering Shareholders’ Right of Cancellation of Contract

A Tendering Shareholder may cancel a contract related to the Tender Offer at any time during the Tender Offer Period. In order to cancel a contract related to the Tender Offer, the Tendering Shareholder must deliver or mail cancellation documents (the Receipt of Application for the Tender Offer and a written request for the cancellation of the contract related to the Tender Offer) to the head office or a branch office in Japan of the Tender Offer Agent that received the application from such Tendering Shareholder, by 16:00 on the last day of the Tender Offer Period. If cancellation is made by mail, the cancellation of the contract related to the Tender Offer will not be effective unless the cancellation documents are delivered at the head office or the relevant branch office of the Tender Offer Agent by 16:00 on the last day of the Tender Offer Period.

No compensation for damages or penalty payment will be demanded of any Tendering Shareholder by the Tender Offeror with respect to the cancellation of a contract by the Tendering Shareholder. The cost of returning the Tendered Shares, Etc. will be borne by the Tender Offeror. The Tendered Shares, Etc. will

be returned promptly upon the completion of the necessary procedures, pursuant to the method described in “(iv) Method of Returning Shares” of “(8) Method of Settlement” above.

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

Except where such change is prohibited pursuant to Paragraph 1 of Article 27-6 of the Act and Article 13 of the Enforcement Order, the Tender Offeror may change the terms or conditions of the Tender Offer.

Should any terms or conditions of the Tender Offer be changed, the Tender Offeror will give public notice thereof through electronic disclosure as well as in the *Nihon Keizai Shimbun*; provided, that if it is difficult to make such notice within the Tender Offer Period, the Tender Offeror will make an official announcement pursuant to Article 20 of the TOB Order and forthwith give public notice. Should any terms or conditions of the Tender Offer be changed, the purchase of the Tendered Shares, Etc. tendered on or prior to the date of such public notice will also be made in accordance with the terms and conditions as changed.

(vi) Method of Disclosure if Amendment to Registration Statement is Submitted

If the Tender Offeror submits an amendment to the Registration Statement to the Director-General of the Kanto Local Finance Bureau (except in circumstances provided for under the proviso in Article 27-8, Paragraph 11 of the Act), the Tender Offeror will promptly make an official announcement of the contents of such amended statement to the extent relevant to the contents of the public notice of the Tender Offer, pursuant to the method set forth in Article 20 of the TOB Order. The Tender Offeror will also promptly amend the Registration Statement and provide an amended Statement to the Tendering Shareholders who have received the original Statement. If the amendments are limited in extent, however, the Tender Offeror will prepare and deliver to the Tendering Shareholders a document stating the reason for the amendments, the matters amended and the details thereof.

(vii) Method of Disclosure of Results of Tender Offer

The Tender Offeror will announce the results of the Tender Offer in accordance with methods stipulated in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order on the day following the last day of the Tender Offer Period.

(10) Date of Public Notice of Tender Offer

November 30, 2016 (Wednesday)

(11) Tender Offer Agent

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

3. Policy, Etc. after the Tender Offer and Future Outlook

With respect to the policy, etc. after the Tender Offer and the future outlook, please see “(2) Background and Reason for the Tender Offer, Decision Making Process and Management Policy After the Tender Offer” “(5) Policy for organizational restructuring, etc. after the Tender Offer (matters relating to so-called “two-tier acquisitions”)” and “(6) Possibility of and reasons for delisting” of “1. Purpose of Tender Offer” above.

4. Other Information

(1) Agreements between Tender Offeror and Target Company or its Directors and Officers, and Details Thereof

According to the Target Company’s Notice, at a board of directors’ meeting of the Target Company held today, the directors resolved that the Target Company will express its opinion to accept the Tender Offer, and also that the Target Company will recommend that the shareholders of the Target Company accept the Tender Offer. Further, since the Stock Acquisition Rights will lapse during the Tender Offer Period of the Tender Offer, such Stock Acquisition Rights will not be subject to the purchase through the Tender Offer.

Therefore, the Target Company will withhold their opinion regarding the Tender Offer with respect to the Stock Acquisition Rights (and it will not express its opinion in the future regarding thereof). For details, please refer to “d. Considerations and negotiations, etc. at the meeting of the Board of Directors of the Target Company, half of which consists of the independent outside directors” above” of “(4) Measures to Ensure the Fairness of the Tender Offer” of “1. Purpose of Tender Offer” of “I. Terms and Conditions of Tender Offer”.

(2) Other Information Considered to be Necessary for Investors to Determine Whether to Tender Shares in Tender Offer

(a) Revision of Dividend Forecasts for Fiscal Year Ended March 2017, Etc.

As stated in the “Notice of Revision of Dividend Forecasts for Fiscal Year Ending March 2017 and Shareholder Special Benefit Plan” dated today, the Target Company had passed the resolution at the meeting of the Board of Directors held on the same day, which provided that (i) no final dividends, with respect to which a dividend forecast was announced as of May 12, 2016 in “Earnings Release of the Target Company for Fiscal Year Ended in March 2016 (Japan GAAP) (Consolidated)”, would be paid for the fiscal year ended March 2017 and (ii) abolition of the shareholder special benefit plan after the fiscal year 2017, subject to the completion of the Tender Offer. Regardless of success or failure of the Tender Offer, the Company will offer the special benefit plan in the fiscal year 2016 to the relevant shareholders who are recorded on the share register as of September 30, 2016, based on the vesting day of September 30, 2016 and such shareholder special benefit plan will still be available from January 1, 2017 to December 31, 2017.

(b) Matters Relating to Refinance

As stated in the “Notification of Borrowing of Funds” dated today, in response to the maturity of loan (the total amount of lending is 20 billion yen, the amount of outstanding loan as of today is 20 billion yen) pursuant to the loan agreement of the Target Company dated March 28, 2014), the Target Company has entered into a loan agreement (20 billion yen of total proceeds, the “Loan”) with Daiwa PI Partners Co. Ltd. today for the purpose of implementing the refinance on December 1, 2016.

End.