

[Translation]

December 2, 2010

To whom it may concern:

Company Name: INVOICE INC.
Name of Representative: Toshiyuki Takazoe,
President and Representative Director
(Code No.: 9448, First Section of the Tokyo Stock Exchange)
Person in Charge of Inquiries: Kiyoji Miyata,
Head of Investor Relations Office
(Inquiries: Investor Relations Office Tel.: 03-5440-3311)

Notice Regarding Implementation of MBO and Recommendation of Acceptance of Tender Offer

INVOICE INC. ("Company") hereby announces that a resolution to express an opinion in favor of the tender offer by MBKP2 K.K. ("Tender Offeror") for the Company shares of common stock and share acquisition rights ("Tender Offer"), which will be implemented as part of a management buyout (MBO) (Note), and to recommend to the Company shareholders and holders of share acquisition rights to accept the Tender Offer was passed at meeting of the board of directors on the date hereof as follows.

The resolution of the board of directors is based on the assumption that Tender Offeror contemplates making the Company a wholly-owned subsidiary of Tender Offeror through the Tender Offer and conducting a series of procedures thereafter, and that the Company shares of common stock are planned to be delisted.

(Note) A management buyout (MBO) generally means an acquisition of shares of the target company upon contribution of funds from all or some of the directors of the target company, which is implemented on the assumption that the present business of the target company will be continued.

Details

1. Overview of Tender Offeror

(1) Name	MBKP2 K.K.	
(2) Location	11-44, Akasaka 1-chome, Minato-ku, Tokyo	
(3) Title and Name of Representative	Sohei Suzuki, Representative Director	
(4) Type of Business	The main business is to acquire and own the Company shares.	
(5) Stated Capital	five million yen	
(6) Date of Incorporation	February 5, 2008	
(7) Major Shareholders and Shareholding Ratio	Tower0309 B.V. /100%	
(8) Relationship between Listed Company and Tender Offeror		
Capital Relationship		Tender Offeror holds one share of the Company common stock

	(shareholding ratio: 0.00%) as of the date hereof.
Personnel Relationship	Not applicable.
Business Relationship	Not applicable.
Status of Applicability to the Related Parties	Not applicable.

2. Details of, and Grounds and Reasons for, the Opinion Concerning the Tender Offer

(1) Details of the Opinion Concerning the Tender Offer

At meeting of the board of directors on the date hereof, the Company passed a resolution to express an opinion in favor of the Tender Offer and to recommend to the Company shareholders and the Company holders of Share Acquisition Rights (Note) to accept in the Tender Offer.

The above-mentioned resolution of the board of directors was passed by the method described in “(3) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer,” “(vi) Approval of All Uninterested Directors and Corporate Auditors” below.

(Note) “Share Acquisition Rights” collectively means the share acquisition rights issued based on the resolution at the general meeting of shareholders of the Company held on June 25, 2008, and the resolution at the meeting of the board of directors of the Company held on March 18, 2009 (“Series 8 Share Acquisition Rights”); and the share acquisition rights issued based on the resolution at the general meeting of shareholders of the Company held on June 25, 2008, and the resolution at the meeting of the board of directors of the Company held on April 11, 2009 (“Series 9 Share Acquisition Rights”).

(2) Grounds and Reasons for the Opinion

(i) Summary of the Tender Offer

The Company received the following explanations from Tender Offeror with respect to the summary of the Tender Offer.

Tender Offeror is a *kabushiki kaisha*, whose issued shares are 100% owned by Tower0309 B.V. (established in the Kingdom of the Netherlands) (“Tower”), and whose main purpose is to acquire and own the Company shares. Tower intends to transfer all of its shares in Tender Offeror to Blue Tower Limited (established in Ireland) (“Irish Co”), whose issued shares are 100% owned by Tower, prior to the commencement date of settlement of the Tender Offer from the perspective of establishing efficient investment schemes.

Tower is an investment purpose company of MBK Partners (referring collectively to the group). MBK Partners is an independent private equity firm specializing in and leading the East Asia region, which was established in March 2005 in anticipation of the later rapid development of the private equity investment market in three countries, namely Japan, Korea, and China. MBK Partners has approximately 3.7 billion US dollars under management; makes a wide range of investments in large- to middle-sized enterprises, focusing on fields such as telecommunications/media, financial services, business services, consumer goods, transportation, and general manufacturing; and actively provides management assistance to maximize enterprise value.

Tender Offeror will implement the Tender Offer as part of a series of transactions in order for Tender Offeror to acquire all of the issued shares of the Company except for the treasury stock held by the Company (it is possible that Series 9 Share Acquisition Rights will be exercised by the last day of the period for the purchase, etc. in the Tender Offer (“Tender Offer Period”)); therefore, the Company shares of common stock to be issued or transferred upon the exercise are also included in the subject of the Tender Offer; hereinafter the same) and all of the Share Acquisition Rights issued by the Company, to make the Company a wholly-owned subsidiary of Tender Offeror, and to further delist the shares of the Company (“Transactions”).

In connection with the Tender Offer, Tender Offeror has entered into an agreement with each of Mr. Ikuo Kimura, the founder of the Company ("Mr. Kimura") (owner of 1,062,780 shares; owner of 10,000 share acquisition rights; the proportion of (x) to (y) ("Proportion of Owned Shares"): 9.11% (rounded up to the second decimal place, hereinafter the same in calculation of the Proportion of Owned Shares), wherein (x) is the sum of the number of owned shares and the number of the Company shares of common stock underlying the owned share acquisition rights and (y) is the number (11,779,567 shares) obtained by (i) adding the number of issued shares of the Company as of September 30, 2010, indicated in the 2nd quarterly report of the Company for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) to the number of shares of common stock (483,000 shares) underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000), and (ii) deducting from the sum thereof the number of shares of treasury stock owned by the Company as of September 30, 2010, indicated in the quarterly report (383,586 shares)), Yugen Kaisha Kimura Ikuo, a company wholly-owned by Mr. Kimura (owner of 330,000 shares; Proportion of Owned Shares: 2.80%), Mr. Toshiyuki Takazoe, the representative director and president of the Company ("Mr. Takazoe") (owner of 144,606 shares; owner of 60,000 share acquisition rights; Proportion of Owned Shares: 1.74%), and Mr. Shunji Matsuyoshi, the managing director of the Company ("Mr. Matsuyoshi") (owner of 98,520 shares; owner of 54,000 share acquisition rights; Proportion of Owned Shares: 1.29%), pursuant to which each of these parties has agreed to tender all of their shares of common stock and Share Acquisition Rights of the Company in the Tender Offer (with respect to Series 9 Share Acquisition Rights held by Mr. Takazoe and Mr. Matsuyoshi, they shall either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of the Company thereby acquired). As 1,062,780 shares of the Company common stock owned by Mr. Kimura are pledged for the benefit of Mizuho Bank, Ltd., 330,000 shares of the Company common stock owned by Yugen Kaisha Kimura Ikuo are pledged for the benefit of Mizuho Bank, Ltd., and 97,020 shares of the Company common stock owned by Mr. Matsuyoshi are pledged for the benefit of The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mr. Kimura, Yugen Kaisha Kimura Ikuo, and Mr. Matsuyoshi plan to tender all of these pledged shares in the Tender Offer after having each pledgee cancel these pledges.

It is contemplated that the Tender Offer will be made by management buyout, and Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror to continue to participate in the management of the Company as the representative director and president and as a director of the Company, respectively, following the Tender Offer as described in "3. Matters Related to Material Agreements Concerning Tendering in the Tender Offer Between Tender Offeror and the Company Shareholders" below. In addition, Tender Offeror, Mr. Takazoe and Mr. Matsuyoshi have acknowledged that after the completion of the Transactions, Mr. Takazoe and Mr. Matsuyoshi intend to, and/or intend to cause a company owned by them to, contribute a certain amount to Tender Offeror or acquire a certain number of shares of Tender Offeror, and intend to consult in good faith with respect to the terms of the contribution. Mr. Masatsugu Matsuzaki and Mr. Tetsuo Saito, directors of the Company other than Mr. Takazoe and Mr. Matsuyoshi, have not agreed with Tender Offeror to participate in the management of the Company following the Tender Offer or the like; and Mr. Kazuhiko Kihara, Mr. Shigeo Iino, and Mr. Kazuharu Tomioka, corporate auditors of the Company, have not agreed with Tender Offeror to remain in office as corporate auditors following the Tender Offer or the like.

In the Tender Offer, the minimum number of shares, etc. contemplated to be purchased is 8,834,675 shares, and if the sum of the aggregate number of the Company shares of common stock tendered in the Tender Offer and the aggregate number of the Company shares of common stock underlying the Share Acquisition Rights tendered in the Tender Offer is below the minimum number of shares, etc. contemplated to be purchased, no the Company shares of common stock and Share Acquisition Rights tendered in the Tender Offer ("Tendered Share Certificates etc.") will be purchased. The minimum number of shares, etc. contemplated to be purchased is obtained as follows. (A) The sum of (i) the total number of issued shares of the Company as of September 30, 2010, indicated in the 2nd quarterly report of the Company for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) and (ii) the aggregate number of shares of common stock underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000 shares) (12,163,153 shares), minus (B) the number of the Company's treasury shares as of

September 30, 2010, indicated in the quarterly report (383,586 shares) (11,779,567 shares), (C) multiplied by 0.75 (8,834,676 shares (fractions rounded up to the nearest whole number)), and (D) minus the number of shares of common stock of the Company owned by Tender Offeror (one share). This number exceeds the number of shares (8,439,679 shares) obtained by adding the Number of Shares Owned by Shareholders Who Agreed to Tendering (as defined below) (1,759,906 shares) to the number equivalent to two-thirds (6,679,773 shares) of the number (10,019,660 shares) obtained by deducting the total number of shares owned and shares underlying the Share Acquisition Rights owned by Yugen Kaisha Kimura Ikuo, Mr. Kimura, Mr. Takazoe and Mr. Matsuyoshi, who agreed to tender their shares or Share Acquisition Rights in the Tender Offer ("Number of Shares Owned by Shareholders Who Agreed to Tendering") (1,759,906 shares), from the number of shares, etc. contemplated to be purchased in the Tender Offer ("Number of Shares, etc. Contemplated to be Purchased"). Thus, with respect to the Company shares and the Share Acquisition Rights other than those agreed to be tendered in the Tender Offer, if a large number of shareholders or holders of the Share Acquisition Rights do not tender their shares or Share Acquisition Rights in the Tender Offer, the Tender Offer will not be conducted; and the intention of the Company shareholders and holders of the Share Acquisition Rights will be respected. There is no upper limit on the Number of Shares, etc. Contemplated to be Purchased in the Tender Offer, and if shares exceeding the minimum Number of Shares, etc. Contemplated to be Purchased are tendered, all Tendered Share Certificates etc. will be purchased.

Moreover, Tender Offeror intends to take out a loan ("Purchase Loan") of the maximum amount of 12,500,000,000 yen from Sumitomo Mitsui Banking Corporation as a fund available to be used for the settlement of the Tender Offer on condition that the Tender Offer is successfully completed and so on. Tender Offeror intends to set a pledge over a certain asset held by Tender Offeror such as the Company shares of common stock acquired through the Tender Offer as a security for the Purchase Loan. In addition, after the Company becomes the fully-owned subsidiary of Tender Offeror, Tender Offeror intends to cause the Company and some of its subsidiaries to be the joint and several suretyship owners of Tender Offeror, and to provide as security for the Purchase Loan a certain asset of the Company and some of its subsidiaries.

(ii) Decision-Making Process Resulting in the Favor Opinion on the Tender Offer

(A) Background to the Tender Offer, etc.

The Company was incorporated in December 1992 under the name of "General Tsushin Kogyo Kabushiki Kaisha" to carry on the agency business of handling applications to Type 1 telecommunications carriers. In the telecommunications industry, in which heavily capitalized large enterprises have maintained a large market share even after deregulation, the Company, since its inception, has established its position as an independent solutions partner for information and communications businesses, serving as an intermediary between customers with their various needs based on their specific circumstances and large businesses, and taking advantage of its ability to promptly and properly provide meticulous systems and services that can provide flexible responses to customers' requests that may go unheeded by large businesses. Also, in order to expand and strengthen the core business centered on services for the consolidated billing of communication charges, the Company has, since the commencement of its services for the consolidated billing of communication charges, positively worked on mergers and acquisitions in similar or related business fields, including conducting company acquisitions and acquiring businesses on a number of occasions. Against a backdrop of these expansions of operating areas and scale of the Company, the Company has expanded its business smoothly and strengthened its management foundation, as shown by the facts that the Company has achieved a listing of its shares on the over-the-counter market at the Japan Securities Dealers Association in 2002 and a listing on the Second Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") in 2003, and that the Company was assigned to the First Section of the Tokyo Stock Exchange in 2004.

However, since 2007, due to the effect of the world-wide financial instability triggered by the subprime loan crisis in the U.S., the Company was forced to file a petition for civil rehabilitation procedures of DYNACITY Corporation, which the Company made its subsidiary through a merger

and acquisition in 2006 as part of the reinforcement of businesses targeting individuals, that resulted in significant damage to the Company's real estate-related business. As a result, the financial position of the Company's group as a whole, including the Company, deteriorated remarkably.

Meanwhile, presently, in the telecommunications industry in Japan, competition among businesses is being further intensified, there are further reductions in telecommunications charges, and downward pressure is increasing on the Company's sales and profits. In the mobile communications market, the competition among businesses in the acquisition of customers has increasingly intensified with, in addition to the availability of various mobile phone handsets, the development of smart phones newly-equipped with personal computer functionality, the expansion of content services such as music, images and electronic books, and other factors. In the fixed-line phone market, the business environment has become increasingly severe because there have been further reductions in basic charges and other factors while businesses are forced to respond to rapid changes such as merging with mobile communications. These recent rapid changes in the business environment surrounding the Company are also exerting an influence on the Company's business development, and it is well anticipated that there will be further downward pressure on the Company's sales and profits in the future.

In the midst of such a severe management environment surrounding the Japanese economy and telecommunications business, the Company has taken various measures to re-establish its management and financial foundations.

In other words, in order to re-establish a solid management structure and foundation, the Company has striven to expand its customer base by concentrating its management resources into the telecommunications business and further enhancing sales activities for its core business, that is, services for the consolidated billing of communication charges for enterprises, and has also been committed to thoroughly reviewing its profitability, including focusing more on coping with unprofitable customers and working on customer services through, among others, consulting on a telecommunications plan that meets customers' needs; thereby striving to improve its business performance. Also, concurrently, the Company has striven to improve its profitability by driving efforts to promote the streamlining of organizations and reduce costs of sales and selling and general administrative expense.

In addition, in order to restore its financial soundness, which deteriorated due to the filing of a petition for civil rehabilitation procedures of DYNACITY Corporation, the Company exerted itself to recover confidence, including by making efforts to eradicate its accumulated losses through, among others, capital reduction.

As a result of these company efforts, the Company was able to achieve sales and profit growth in the consolidated business performance of the 1st quarter of the 19th Fiscal Year, and similarly was able to sustain strong performance in the consolidated business performance of the 2nd quarter of the 19th Fiscal Year as well.

However, as mentioned above, if we look at the recent economic climate, although signs of recovery can be seen in that there is a trend toward emergence from the financial crisis in the international economic climate and in that the effects of policies have started to become apparent in such areas as external demand-led export and manufacture as well as individual consumption in the economic climate in Japan; nevertheless, considering foreign exchange rate trends, an increasingly severe employment environment in Japan, and other factors, the economic environment surrounding the Company is clearly still in a severe situation, and it is impossible to deny that profits might become less than expected in such a severe economic environment. In addition, in today's telecommunications industry, the competition among carriers in the acquisition of customers is entering a new phase due to the ongoing rapid development of, among others, the availability of smart phones and various other handsets in the mobile communications market and convergence of services for fixed-line communications and those for mobile communications; and the environment is becoming one where enhancing the Company's enterprise value in the medium- to long-term will be difficult to achieve by the above-mentioned Company's efforts alone. Therefore, there is a pressing need to further strengthen the management foundation by not only further promoting such Company's efforts in the future but also establishing a new business model that can respond to rapid changes in the environment and enhance the Company's enterprise value in the medium- to long-term.

On the other hand, the Company is in a state where it is not necessarily easy to promptly implement various management policies, including (a) establishment of new business models aiming to respond to rapid changes in the management environment and (b) consideration of mergers and acquisitions toward the establishment of those business models. This is because there have been no major changes in the valuation of the Company in the market even after the above-mentioned various measures to strengthen its financial foundation, some of the past mergers and acquisitions are exerting a significant effect on business performance, and the Company has a myriad of more than 60,000 shareholders due to past capital policies.

Thus, according to Tender Offeror, it is of the opinion that in the Company, establishing a foothold for a medium- to long-term enhancement of its enterprise value by means of the following is a pressing issue: while continuously expanding the customer bases in the existing services and expanding the business scale of services for the consolidated billing of communication charges, which is the Company's core business, searching for new sources of profits other than existing services including conducting in-house development of new businesses and expanding lines of services for enterprises; positively considering a merger and acquisition or the like with a peer company again, which the Company used to carry out actively but was hesitant about over these past few years; and conducting the reallocation of management resources and restructuring of organization systems that make it possible to make business decisions on the foregoing in a more efficient and prompt manner.

On the other hand, according to Tender Offeror, it believes that because the implementation of these managerial measures toward a medium- to long-term enhancement of the enterprise value requires certain cost and time before its effect materializes, such implementation is not always positively evaluated in the capital markets which tend to focus on short-term expansion of business performance and might cause the Company shareholders to suffer a negative impact in the short-term, and that in order to accept these business risks, such as short-term deterioration in business performance, and achieve a medium- to long-term enhancement of the enterprise value, it is necessary for the management and employees of the Company to make united efforts under the unified management policy by cooperating with a third party who has abundant experience in management assistance without being influenced by short-term changes in business performance.

Under these circumstances, it is reported that Tender Offeror has through numerous discussions starting from around the early part of January 2010 with Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of the Company, respectively, reached the conclusion in around the latter part of August 2010 that, to enable the Company to grow in the medium- to long-term and to accomplish continued enhancement of the enterprise value while avoiding implementing managerial measures toward a medium- to long-term enhancement of the enterprise value at the risk of general shareholders, the most effective means would be the management and employees of the Company making united efforts toward the above-mentioned managerial measures under Mr. Takazoe's and Mr. Matsuyoshi's leadership, who are the Company's representative director and president and managing director, respectively, by cooperating with a third party who has abundant experience in management assistance after the Company shares of common stock are delisted by management buyout, the Company shareholders are limited to a small number of people who can accept the above-mentioned risks, and after preparations are made to stick to the unified management policy without being influenced by short-term changes in business performance.

(B) The Company's Decision-Making Process

Since the Company had received from Tower a proposal for the Tender Offer and other Transactions based on the above conclusion in around the latter part of August 2010, the Company gave serious consideration to the proposal and other proposals which it had received by then from several candidates other than Tower. As a result, the Company decided to proceed with discussions with Tower on the Tender Offer and other Transactions under the conditions described in "(3) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer," "(vii) Relatively Long Tender Offer Period" below.

Because the Tender Offer and other Transactions are to be implemented as part of a management buyout and there is an issue of a structural conflict of interest because of their

characteristics, the Company has, for the purposes of (a) holding meetings of the board of directors of the Company relating to the Tender Offer and other Transactions in a fair manner, (b) eliminating to the extent possible any arbitrariness in the decision-making process of the meetings, and (c) discussing, deliberating on, and negotiating for, the Tender Offer and other Transactions from the perspective of the Company's enterprise value, and thus the common interests of the Company shareholders, done the following: (i) decided to establish a project team concerning the Transactions ("Project Team") which consists of Mr. Masatsugu Matsuzaki, director of the Company, and Mr. Tetsuo Saito, external director of the Company and falling under the category of an independent director/auditor set forth in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange ("Independent Director/Auditor"), who are not in situations such as having agreed with the Tender Offeror (a) to tender the shares of common stock of the Company and the Share Acquisition Rights held by them in the Tender Offer (with respect to Series 9 Share Acquisition Rights, to either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of the Company thereby acquired), (b) to continue to participate in the management of the Company after the Tender Offer, (c) to contribute to Tender Offeror or acquire a certain number of shares of Tender Offeror after the completion of the Transactions, or (d) to receive special merits or benefits upon proceeding with the Transactions, and therefore have no special interests in the Tender Offer and other Transactions, and which has the head of the Corporate Strategy Division of the Company as its organizer; and (ii) had numerous discussions and deliberations in the Project Team on the Tender Offer and other Transactions from the above-mentioned perspective and held discussions and negotiations with Tender Offeror in connection with the Tender Offer and other Transactions on a number of occasions. Since Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror with respect to the Tender Offer and other Transactions to continue to participate in the management of the Company after they tender all the shares of common stock and Series 9 Share Acquisition Rights of the Company that they hold in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of the Company thereby acquired) as described in "3. Matters Related to Material Agreements Concerning Tendering in the Tender Offer Between Tender Offeror and the Company Shareholders," neither Mr. Takazoe nor Mr. Matsuyoshi has been appointed as a member of the Project Team nor have either of them participated in the above-mentioned discussions, deliberations and negotiations by the Project Team and decision-making concerning the Tender Offer in the meetings of the board of directors of the Company.

Further, the board of directors of the Company carefully discussed and deliberated on the conditions concerning the Tender Offer and other Transactions in light of the following: contents of a resolution of the board of directors of the Company, which were proposed by the Project Team based on the results of the discussions, deliberations, and negotiations, as indicated under "(3) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer," "(i) Deliberation, Discussion and Negotiation, etc. by the Project Team" below; a valuation report regarding the value of the shares of common stock of the Company ("Company Valuation Report") subject to certain assumptions and exemptions, an opinion ("Fairness Opinion") to the effect that the purchase price, etc. per Company share of common stock in the Tender Offer ("Offer Price") is appropriate for the Company shareholders from a financial point of view, and advice obtained from Deutsche Securities Inc. ("Deutsche Securities"), the Company's financial advisor; legal advice obtained from TMI Associates ("TMI"), the Company's legal advisor; a response and opinion submitted by a third-party committee consisting of two external corporate auditors and one external expert all of whom are independent from Tender Offeror and the Company; and other related materials, as a result of which the board of directors of the Company having decided that implementing managerial measures toward a medium- to long-term enhancement of the enterprise value proposed by Tender Offeror while avoiding doing so at the risk of the general shareholders leads to achieving the Company's medium- to long-term growth and continued enhancement of enterprise value, and is the best option for the Company; and that the Offer Price, the purchase price, etc. per Share Acquisition Right, and other conditions concerning the Tender Offer are adequate for the Company shareholders and holders of the Share Acquisition Rights according to the Company Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party

committee; other related materials; and that therefore the Tender Offer is to provide the Company shareholders and holders of the Share Acquisition Rights with a reasonable opportunity to sell their shares and Share Acquisition Rights, passed a resolution to express an opinion in favor of the Tender Offer and to recommend to the Company shareholders and holders of the Share Acquisition Rights to accept the Tender Offer at the meeting of the board of directors of the Company held on the date hereof by the unanimous approval of two directors excluding Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of the Company, respectively. Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of the Company, respectively, did not participate in the deliberation and resolution at the meeting of the board of directors as specially interested parties. Further, at the meeting of the board of directors, all corporate auditors of the Company participated in the deliberation; and all corporate auditors who participated in the deliberation stated that they had no objection to the board of directors of the Company expressing an opinion in favor of the Tender Offer and recommending that the Company shareholders and holders of the Share Acquisition Rights accept the Tender Offer. (see “(3) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer” “(vi) Approval of All Uninterested Directors and Corporate Auditors”).

(C) Management Policies Following Implementation of the Tender Offer

Tender Offeror reportedly plans to enhance the Company’s enterprise value in the medium- to long-term while creating an organization which enables flexible business decisions by virtue of delisting the Company shares through the Tender Offer and continuously supporting the management of the Company as well as considering the possibility of, among others, attracting new customers through cooperation with other investments by MBK Partners.

Also, if the Tender Offer is completed successfully, Tender Offeror reportedly plans, promptly upon completion of settlement of the Tender Offer, to have the Company convene an extraordinary general meeting of shareholders to appoint directors so that the majority of the board of directors of the Company will consist of persons designated by Tender Offeror.

With respect to the employment of the Company employees following the Tender Offer, as a general rule, Tender Offeror reportedly contemplates maintaining current conditions of employment.

Also, Mr. Takazoe and Mr. Matsuyoshi have reportedly agreed with Tender Offeror to continue to participate in the management of the Company following the Tender Offer as representative director and president and director of the Company, respectively, as described in “3. Matters Related to Material Agreements Concerning Tendering in the Tender Offer Between Tender Offeror and the Company Shareholders.” Mr. Masatsugu Matsuzaki and Mr. Tetsuo Saito, directors of the Company other than Mr. Takazoe and Mr. Matsuyoshi, have not agreed with Tender Offeror to participate in the management of the Company following the Tender Offer; and Mr. Kazuhiko Kihara, Mr. Shigeo Iino and Mr. Kazuharu Tomioka, corporate auditors of the Company, have not agreed with Tender Offeror to remain in office as corporate auditors following the Tender Offer.

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

Since the Tender Offer is to be implemented as part of a management buyout and there is an issue of structural conflict of interest, the Company and Tender Offeror have implemented the following measures to ensure the fairness of the Offer Price and the purchase price, etc. per Share Acquisition Right and to eliminate arbitrariness and avoid conflicts of interest in the decision-making process in which the implementation of the Tender Offer was decided.

(i) Deliberation, Discussion and Negotiation, etc. by the Project Team

As described in “(2) Grounds and Reasons for the Opinion,” “(ii) Decision-Making Process Resulting in the Favor Opinion on the Tender Offer” above, because the Tender Offer and other

Transactions are to be implemented as part of a management buyout and there is an issue of structural conflict of interest because of their characteristics, the Company has, after receiving the proposal from Tender Offeror for the Tender Offer and other Transactions, for the purposes of (a) holding meetings of the board of directors of the Company relating to the Tender Offer and other Transactions in a fair manner, (b) eliminating to the extent possible any arbitrariness in the decision-making process of the meetings, and (c) discussing, deliberating on, and negotiating for, the Tender Offer and other Transactions from the perspective of the Company's enterprise value, and thus the common interests of the Company shareholders, done the following: (i) decided to establish the Project Team concerning the Transactions consisting of Mr. Masatsugu Matsuzaki, director of the Company, Mr. Tetsuo Saito, external director of the Company and falling under the category of an Independent Director/Auditor, and other members, who are not in situations such as having agreed with the Tender Offeror (a) to tender the shares of common stock of the Company and the Share Acquisition Rights held by them in the Tender Offer (with respect to Series 9 Share Acquisition Rights, to either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of the Company thereby acquired), (b) to continue to participate in the management of the Company after the Tender Offer, (c) to contribute to Tender Offeror or acquire a certain number of shares of Tender Offeror after the completion of the Transactions, or (d) to receive special merits or benefits upon proceeding with the Transactions, and therefore have no special interests in the Tender Offer and other Transactions; (ii) held discussions and deliberations on the Tender Offer and other Transactions from the above-mentioned perspective in the Project Team, and (iii) held discussions and negotiations with Tender Offeror in connection with the Tender Offer and other Transactions on a number of occasions.

In concrete, the Project Team has (i) held numerous discussions and deliberations on the Tender Offer and other Transactions starting from the latter part of August 2010, and (ii) while obtaining advice, opinions, and the like from advisers independent from Tender Offeror and the Company as described in "(iii) The Company Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser," and "(iv) Advice from Independent Law Firm" below, held prudent discussions and deliberations with respect to the adequacy of the offered terms of the Tender Offer (including the Offer Price and the purchase price, etc. per Share Acquisition Right) and the fairness of the procedures relating to the Tender Offer and other Transactions from the perspective of the Company's enterprise value, and thus the common interests of the Company shareholders, and held discussions and negotiations with Tender Offeror in connection with the Tender Offer and other Transactions on a number of occasions. Also, as described in "(v) Deliberation by Third-party Committee," the Project Team obtained a response and opinion to the following effect: (a) it is regarded that the Tender Offer and other Transactions are implemented for the purpose of the enhancement of the Company's enterprise value; therefore, the purposes of the Transactions are rightful; (b) the procedures taken during negotiation on the Tender Offer and other Transactions are regarded as fair; and (c) the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions is adequate, from a third-party committee consisting of two external corporate auditors and one external expert all of whom are independent from Tender Offeror and the Company. The Project Team, after having held these discussions, deliberations, and negotiations, made a proposal at meeting of the board of directors of the Company on the date hereof to the board of directors of the Company to the effect that the following resolution should be passed at a meeting of the board of directors of the Company: having decided that the Tender Offer and other Transactions provide a reasonable opportunity for the Company shareholders and holders of the Share Acquisition Rights to sell their shares and Share Acquisition Rights and that implementing managerial measures toward a medium- to long-term enhancement of the enterprise value proposed by Tender Offeror while avoiding doing so at the risk of the general shareholders leads to achieving the Company's medium- to long-term growth and continued enhancement of the Company's enterprise value, and is the best option for the Company, the board of directors will express an opinion in favor of the Tender Offer and recommend to the Company's shareholders and holders of the Share Acquisition Rights to accept the Tender Offer.

Since Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror with respect to the Tender Offer and other Transactions to continue to participate in the management of the Company

after they tender all their shares of common stock and Series 9 Share Acquisition Rights of the Company in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of the Company thereby acquired) as described in “3. Matters Related to Material Agreements Concerning Tendering in the Tender Offer Between Tender Offeror and the Company Shareholders” below, neither Mr. Takazoe nor Mr. Matsuyoshi has been appointed as a member of the Project Team nor have either of them participated in the above-mentioned deliberations, etc. by the Project Team.

(ii) Deliberation of the Offer Price on the Part of Tender Offeror

According to Tender Offeror, in order to determine the Offer Price and the purchase price, etc. per Share Acquisition Right, Tender Offeror analyzed the financial condition and business of the Company from a multilateral and comprehensive perspective based on the information regarding the financial and business condition of the Company which the Company furnished upon request of Tender Offeror. The Company received from Tender Offeror the following explanations.

Given that the Company shares of common stock are generally traded on a financial instruments exchange, as a result of considering whether or not the Company supports the Tender Offer and whether the Tender Offer is likely to succeed, Tender Offeror set the Offer Price at 1,500 yen after a number of discussions and negotiations held with the Project Team, by considering the stock price performance during the past six months and examples of actual premiums paid in determining offer prices in past tender offers that were similar to the Tender Offer. Tender Offeror did not obtain a valuation from a third party appraiser in determining the Offer Price and the purchase price, etc. per Share Acquisition Right.

The Offer Price of 1,500 yen is equivalent to the closing price of the shares of common stock of the Company (1,261 yen) on the Tokyo Stock Exchange as of December, 1, 2010, the Business Day immediately preceding the date of announcement of the Tender Offer, with a premium of 19.0 % (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of the Company on the Tokyo Stock Exchange during the one month ending on that date (from November 2, 2010 to December 1, 2010) (1,095 yen) (rounded up to the whole yen, hereinafter the same in calculation of the arithmetic average of the closing prices of the shares) with a premium of 37.0% (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of the Company on the Tokyo Stock Exchange during the three months ending on that date (from September 2, 2010 to December 1, 2010) (1,089 yen) with a premium of 37.7% (rounded up to one decimal place), or the arithmetic average of the closing prices of the shares of common stock of the Company on the Tokyo Stock Exchange during six months ending on that date (from June 2, 2010 to December 1, 2010) (1,128 yen) with a premium of 33.0% (rounded up to one decimal place).

The Share Acquisition Rights included in the subject of the Tender Offer are the share acquisition rights that were issued as stock options to the Company employees, with respect to Series 8 Share Acquisition Rights, and to directors and corporate auditors of the Company, with respect to Series 9 Share Acquisition Rights. As a condition to the exercise of the Share Acquisition Rights, the holder is required, with respect to Series 8 Share Acquisition Rights, to be an employee of the Company, and with respect to Series 9 Share Acquisition Rights, to be a director or corporate auditor of the Company; therefore, Tender Offeror will not be able to exercise the Share Acquisition Rights even if it purchases the Share Acquisition Rights in the Tender Offer. However, while Tender Offeror contemplates acquisition of all the shares, etc. issued by the Company by means of a management buyout and making the Company its wholly-owned subsidiary, the exercise period of Series 8 Share Acquisition Rights will not commence before the last day of the Tender Offer Period, but instead will commence on March 21, 2011, a day which is near to the last day of the Tender Offer Period; and the exercise period of Series 9 Share Acquisition Rights will have already commenced as of the date hereof. Accordingly, the acquisition by Tender Offeror of the Share Acquisition Rights will prevent potential dilution of the Company shares held by Tender Offeror. In addition, in connection with the Share Acquisition Rights, the exercise prices per share of common stock of the Company (440 yen for Series 8 Share Acquisition Rights and 516 yen for Series 9 Share Acquisition Rights) are lower than the Offer Price of 1,500 yen as of the date hereof. Taking these circumstances

into account, the offer price per Series 8 Share Acquisition Right is set at 1,060 yen, which is equal to the amount obtained by multiplying (a) the difference between the exercise price per share of common stock of the Company underlying Series 8 Share Acquisition Rights and the Offer Price, by (b) one, which is the number of shares of common stock of the Company underlying one Series 8 Share Acquisition Right, and the offer price per Series 9 Share Acquisition Right is set at 984 yen, which is equal to an amount obtained by multiplying (c) the difference between the exercise price per share of common stock of the Company underlying Series 9 Share Acquisition Rights and the Offer Price, by (d) one, which is the number of shares of common stock of the Company underlying one Series 9 Share Acquisition Right.

- (iii) The Company Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser

In order to ensure the fairness of the decision-making process in evaluating the Offer Price proposed by Tender Offeror, the board of directors of the Company appointed as its financial advisor Deutsche Securities, which is a third party appraiser independent of Tender Offeror and the Company and is not a related party, and requested evaluation of the Company shares, and as of December 2, 2010, obtained the Company Valuation Report. The board of directors of the Company also obtained, as of December 2, 2010, the Fairness Opinion concerning the Offer Price. Deutsche Securities provided the Fairness Opinion, under the indicated assumptions and other certain conditions, to the board of directors of the Company to be used as reference materials for the evaluation of the Offer Price conducted by the board of directors of the Company. The Fairness Opinion obtained from Deutsche Securities is not to recommend the Company shareholders to take any actions with respect to the Tender Offer. Please refer to the indication under (Note 1) for the assumptions or the like that are applied to the Fairness Opinion.

According to the Company Valuation Report, the results of the valuation by Deutsche Securities of the Company shares are as follows:

Deutsche Securities calculated the value of the Company shares under certain assumptions taking into account the information based on the materials and explanations relating to the current state of its business and future business plans and other matters obtained from the Project Team. In the Company Valuation Report, the value of the Company shares was calculated by using the market price method and discounted cash flow method ("DCF method"), and a comparable public company method as a method to supplement them on the assumption that the Company is a going concern. The market price method is a method of evaluating stock value based on the market price of shares of common stock of the Company, used by Deutsche Securities because it considered that method to be an objective method in evaluating the stock value of listed companies. Under the market price method, the value per share of common stock of the Company was calculated to range from 1,089 yen to 1,128 yen based on the arithmetic average of the closing prices of the shares of common stock of the Company on the Tokyo Stock Exchange for the period of one month (1,095 yen), three months (1,089 yen) and six months (1,128 yen) up to December 1, 2010, which is the valuation reference date. Deutsche Securities used the DCF method because Deutsche Securities considers that method suitable for the valuation of a going concern, as it is a method based on the company's future cash flows (profitability). Under the DCF method, the value per share of common stock of the Company was calculated to range from 1,183 yen to 1,829 yen by analyzing enterprise value or stock value by discounting at a certain rate the future cash flows calculated based on the Company's business plans (Note 2), to arrive at the present value. Deutsche Securities used the comparable public company method because it considers that method, as a supplement to the market price method, capable of reflecting the objectivity of the stock market in the valuation, as it uses stock prices and financial data of other companies in the same industry. Under the comparable public company method, the value per share of common stock of the Company was calculated to range from 765 yen to 1,364 yen, following the analysis of various financial indexes of similar listed companies.

The Company did not obtain an opinion from Deutsche Securities as to the adequacy of calculation of value or purchase price of the Share Acquisition Rights.

- (Note 1) In stating the Company Valuation Report and Fairness Opinion ("Opinion etc."), Deutsche Securities is not responsible for independently verifying the accuracy and

integrity of any information regarding the Company including financial information or financial forecasts that were considered (regardless of whether the information is open and available to the public or was provided by the Company); and Deutsche Securities has not conducted the verification independently. Therefore, in stating the Opinion etc., Deutsche Securities assumes that all information is accurate and integral and depends on that accuracy and integrity. Also, Deutsche Securities has not conducted a physical examination of any asset and liability of the Company, and has not conducted an independent evaluation or assessment of any asset or liability of the Company. In addition, regarding financial forecasts that were provided by the Company to Deutsche Securities and used for analyses by Deutsche Securities, including the analyses and forecasts of financial effects on the Company exerted by the Transactions, Deutsche Securities assumes that those financial forecasts were prepared based on reasonable grounds and reflect forecasts available to the Company and the Company's decisions. In stating the Opinion etc., Deutsche Securities has not expressed any opinion concerning the reasonableness of such analyses or forecasts, or their underlying assumptions. Deutsche Securities' Opinion etc. is based on the economy, markets and other conditions effective as of December 2, 2010, and information that Deutsche Securities has obtained by the same date. The Opinion etc. might be affected due to events or situations following the expression of the Opinion etc. or the analyses; however, Deutsche Securities is not obligated to revise, change, or re-confirm the Opinion etc. Regarding the statement of the Opinion etc., Deutsche Securities assumes that the Company performs all matters to be complied with and all agreements that should be performed in the procedures of the Transactions, and that all conditions and obligations for the completion of the Transactions imposed on the Company are satisfied without being released. Also, Deutsche Securities assumes that any material approval, permission, and authorization of the governments, regulatory authorities, and others ("Authorities") that are required in connection with the completion of the Transactions have been obtained; and that no changes, revisions, or waiver of any required approval, permission and authorization, or order of the Authorities, or of contracts to which the Company is a party, (i) exerts any material adverse effect on the Company, (ii) imposes any limitations, restriction, or condition that would reduce the benefit of the Transactions for the Company to a material degree, or (iii) causes any significant changes to, revisions or waiver of, the expected benefit from the Transactions.

Deutsche Securities is not an expert on such matters as legal matters, tax matters, and regulations by Authorities; therefore, regarding these matters, the Company needs to depend on advice from advisors who are experts on each matter.

The Opinion etc. only expresses an opinion to the Company on whether or not the Offer Price is fair for the shareholders of the Company shares of common stock from a financial point of view; therefore, the Opinion etc. is not to recommend to the Company shareholders to tender their shares in the Tender Offer. Also, Deutsche Securities does not state any opinion to Tender Offeror, the Company, and the Company shareholders as to whether the Transactions should be implemented.

Moreover, Deutsche Securities is not authorized to encourage investments in securities and other financial instruments issued by the Company, and does not encourage those investments.

Deutsche Securities does not state any opinion regarding the stock price of the Company following the announcement or completion of the Transactions.

Regarding the Transactions, Deutsche Securities is the Company's financial adviser and receives charges as consideration for those services. A part of the charges is conditioned upon the completion of the Tender Offer. Deutsche Securities is a related company of Deutsche Bank AG (collectively with its related companies, "DB Group"). It is possible that one or more members of the DB Group (i) provides or will provide, now or in the future, the Company and Tender Offeror, or their affiliated companies with investment banking services, commercial banking services (including

granting of credit), and other financial services, and (ii) receives or will receive consideration for these services. It is possible that a member of the DB Group positively transacts the Company's securities such as shares and bond certificates for its own account or for customers' account in the ordinary course of business. The DB Group may have long positions or short positions regarding those securities from time to time.

(Note 2) In the business plans that were used as the basis for the calculation of stock value under the DCF method, any sharp increase or decrease in profits is not expected. The specially interested parties in the board of directors of the Company, i.e., Mr. Takazoe, representative director and president of the Company, and Mr. Matsuyoshi, the managing director of the Company, had never substantially participated in preparing the business plans.

(iv) Advice from Independent Law Firm

The board of directors of the Company appointed TMI, which is a legal advisor independent of the Company and Tender Offeror in order to ensure transparency and reasonableness when making decisions on the Tender Offer and other Transactions, and received from TMI legal advice about issues to heed for the decision-making process regarding the Tender Offer and other Transactions, decision-making method, and other decision-making regarding the Tender Offer and other Transactions.

(v) Deliberation by Third-party Committee

On October 4, 2010, the board of directors of the Company established a third-party committee consisting of two external corporate auditors that is independent of Tender Offeror and the board of directors of the Company: Mr. Shigeo Iino (representative director of Yugen Kaisha Value Plus) and Mr. Kazuharu Tomioka (representative director of Disclosure, Inc.); and one external expert, Mr. Takehiro Nakagawa (attorney-at-law, Nakagawa & Kumagai), to fairly conduct board of directors' meetings of the Company and eliminate arbitrariness from the board's decision-making process with respect to the Tender Offer and other Transactions. The board of directors requested the third-party committee to submit a response and opinion to the Project Team in connection with the following consultation issues: (a) rightfulness of the purposes of the Tender Offer and other Transactions; (b) fairness of the procedures taken during negotiation on the Tender Offer and other Transactions; and (c) adequacy of the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions.

The third-party committee meetings were held four times in total between October 4, 2010, and December 1 of the same year, and the committee discussed and considered the consultation issues above. Specifically, the committee obtained explanations from the Project Team and Deutsche Securities, who is a financial advisor to the Company, and TMI, who is a legal advisor to the Company, about (a) the contents of the proposal made by Tender Offeror, (b) the independence of Deutsche Securities and TMI from Tender Offeror and the Company, and (c) the purposes of the Tender Offer and the series of procedures planned after the Tender Offer as indicated under "(4) Plans for Restructuring Following the Tender Offer (Matters regarding So-Called Two-Tier Acquisition)" below, and specific details of the Company's enterprise value expected to be enhanced as a result thereof, and made inquiries regarding those matters. The committee also directly interviewed Mr. Takazoe and Mr. Matsuyoshi, who agreed with Tender Offeror to continue to participate in the management of the Company after the Tender Offer as indicated under "3. Matters Related to Material Agreements Concerning Tendering in the Tender Offer Between Tender Offeror and the Company Shareholders" below about the meaning, purposes, and other matters concerning the Tender Offer and other Transactions. Furthermore, the committee referred to the Company Valuation Report and the Fairness Opinion concerning the Offer Price prepared by Deutsche Securities, and its advice, and was given explanations by Deutsche Securities for the valuation of the shares of common stock of the Company in accordance with the Company Valuation Report. Moreover, when necessary, the committee was given advice by TMI regarding fairness of the procedures concerning the Tender Offer and other Transactions.

In the above-mentioned situation, based on the considered results, the third-party committee carefully discussed and considered the consultation issues, and on December 1, 2010, submitted to the Project Team a response and opinion to the effect that (a) it is regarded that the Tender Offer and other Transactions are implemented for the purpose of the enhancement of enterprise value of the Company and therefore the purposes of the Transactions are rightful; (b) the procedures taken during negotiation on the Tender Offer and other Transactions are regarded as fair; and (c) the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions is adequate.

(vi) Approval of All Uninterested Directors and Corporate Auditors

The board of directors of the Company based on the Company Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party committee; other related materials and the resolution of the board of directors of the Company which was proposed by the Project Team as indicated under “(i) Deliberation, Discussion and Negotiation, etc. by the Project Team” above, carefully discussed and considered various conditions for the Tender Offer and other Transactions. Consequently, the board of directors of the Company determined that as proposed by the Tender Offeror, to implement managerial measures aiming for medium- to long-term enhancement of the enterprise value while avoiding doing so at the risk of general shareholders leads to achieving medium to long-term growth and continued enhancement of the enterprise value, and thus should be regarded as the best option for the Company; and that the Offer Price, the purchase price, etc. per Share Acquisition Right, and other conditions concerning the Tender Offer are adequate for the Company shareholders and holders of the Share Acquisition Rights according to the Company Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party committee; other related materials; and that therefore the Tender Offer is to provide shareholders and holders of the Share Acquisition Rights of the Company with a reasonable opportunity to sell their shares and Share Acquisition Rights. Therefore at the board of directors’ meeting of the Company held on the date hereof, the directors except for Mr. Takazoe, the representative director and president of the Company and Mr. Matsuyoshi, the managing director of the Company, unanimously passed a resolution to express an opinion in favor of the Tender Offer and to recommend to the Company shareholders and holders of the Share Acquisition Rights to accept the Tender Offer.

Mr. Takazoe and Mr. Matsuyoshi, representative director and president and managing director of the Company, respectively, have agreed with Tender Offeror with respect to the Tender Offer to continue to participate in the management of the Company after they tender all the shares of common stock and the Series 9 Share Acquisition Rights of the Company held by them in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of the Company thereby acquired), as described in “3. Matters Related to Material Agreements Concerning Tendering in the Tender Offer Between Tender Offeror and the Company Shareholders” below; and in light of the structural conflict of interest with the Company, Mr. Takazoe and Mr. Matsuyoshi, as specially interested parties, did not participate in the deliberation or voting at the meetings of the board of directors, and were not involved in the discussions and negotiations with Tender Offeror on the Company’s behalf.

Further, at the meeting of the board of directors of the Company, all corporate auditors participated in the deliberation; and all corporate auditors who participated in the deliberation stated that they had no objection to the board of directors of the Company expressing an opinion in favor of the Tender Offer and recommending that the Company shareholders and holders of the Share Acquisition Rights accept the Tender Offer.

(vii) Relatively Long Tender Offer Period

Tender Offeror set a period of 31 Business Days for the Tender Offer Period, whereas the minimum number of days required under laws and regulations is 20 Business Days. It is reported that by setting a relatively long Tender Offer Period, Tender Offeror ensures that the Company’s

shareholders and holders of the Share Acquisition Rights will have a reasonable opportunity to decide whether to tender in the Tender Offer, and that persons other than Tender Offeror will have the opportunity to make an offer for the Share Certificates etc. of the Company, thereby ensuring the adequacy of the Offer Price and the purchase price, etc. per Share Acquisition Right.

In addition, the Company received from Tower a proposal for the Tender Offer and other Transactions based on the conclusion indicated in “(2) Grounds and Reasons for the Opinion,” “(ii) Decision-Making Process Resulting in the Favor Opinion on the Tender Offer,” “(A) Background to the Tender Offer, etc.” above in around the latter part of August 2010; and the Company therefore gave serious consideration to the proposal and other proposals which the Company had received by then from several candidates other than Tower. Consequently, the Company decided to proceed with discussions with Tower and gave its consent to a letter of intent dated September 3, 2010, which was received from Tower, to the effect that Tower desires to be immediately notified if, on or prior to December 31, 2010, any discussion, negotiation, solicitation or provision of information is to take place with a view to entering into a contract or agreement which conflicts with the Tender Offer and other Transactions or otherwise makes the implementation of the Tender Offer and other Transactions difficult, or the Company is to enter into the contract or agreement with a third party other than Tower, and desires to be given a chance to consider the possibility of executing the Tender Offer and other Transactions on condition that discussions between Tower and the Company will be continued for at least two weeks following the day on which Tower receives the notice. However, none of Tender Offeror, Tower or any of their related persons has entered into any agreement with the Company which restricts contact between a competing takeover bidder and the Company, including an agreement containing a deal protection clause which prohibits the Company from contacting a competing takeover bidder. It is reported that this, together with the relatively long Tender Offer Period as described above, is out of consideration for ensuring the fairness of the Tender Offer by assuring an opportunity to make competing bids or other similar actions.

(viii) Minimum Number of Share Certificates etc. Contemplated to be Purchased

According to Tender Offeror, the minimum Number of Shares, etc. Contemplated to be Purchased in the Tender Offer is 8,834,675. It is reported that if the sum of the aggregate number of the Company shares of common stock and the aggregate number of the Company shares of common stock underlying the Share Acquisition Rights tendered in the Tender Offer is below the minimum Number of Shares, etc. Contemplated to be Purchased, no Tendered Share Certificates etc. will be purchased. It is reported that the minimum Number of Shares, etc. Contemplated to be Purchased is obtained as follows. (A) The sum of (i) the total number of issued shares of the Company as of September 30, 2010, indicated in the 2nd quarterly report of the Company for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) and (ii) the aggregate number of shares of common stock underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000 shares) (12,163,153 shares), minus (B) the number of the Company's treasury shares as of September 30, 2010, indicated in the quarterly report (383,586 shares) (11,779,567 shares), (C) multiplied by 0.75 (8,834,676 shares (fractions rounded up to the nearest whole number)), and (D) minus the number of shares of common stock of the Company owned by Tender Offeror (one share). It is reported that this number exceeds the number of shares (8,439,679 shares) obtained by adding the Number of Shares Owned by Shareholders Who Agreed to Tendering (1,759,906 shares) to the number equivalent to two-thirds (6,679,773 shares) of the number (10,019,660 shares) obtained by deducting the Number of Shares Owned by Shareholders Who Agreed to Tendering (1,759,906 shares), from the Number of Shares, etc. Contemplated to be Purchased. Thus, with respect to the Company shares and the Share Acquisition Rights other than those agreed to be tendered in the Tender Offer, if a large number of shareholders or holders of the Share Acquisition Rights do not tender their shares or share acquisition rights in the Tender Offer, the Tender Offer will not be conducted; and the intention of the Company shareholders and holders of the Share Acquisition Rights will be respected.

(4) Plans for Restructuring Following the Tender Offer (Matters regarding So-Called Two-Tier Acquisition)

According to Tender Offeror, if all of the issued shares of the Company (excluding treasury shares) and the Share Acquisition Rights are not acquired by the Tender Offer, Tender Offeror contemplates taking a series of steps as follows so that Tender Offeror will own all issued shares of the Company (excluding treasury shares) while allowing an opportunity for the Company's shareholders other than Tender Offeror (excluding the Company) to sell the Company shares. The Company has received an explanation that the specific method will be as follows.

That is, promptly after the successful completion of the Tender Offer, Tender Offeror will request that the Company convene an extraordinary general meeting of shareholders ("Extraordinary General Meeting of Shareholders") to submit proposals for (i) a partial amendment to the articles of incorporation of the Company to authorize the Company to issue class shares other than shares of common stock, (ii) a partial amendment to the articles of incorporation of the Company to make all shares of common stock issued by the Company subject to class-wide call (*zenbu shutoku joko*; this refers to the terms set forth in Article 108, paragraph 1, item 7 of the Companies Act; here and hereinafter the same), and (iii) delivery of the Company shares in a different class in exchange for acquisition of all the Company shares subject to class-wide call (excluding treasury shares).

If the partial amendment to the articles of incorporation referred to in (i) above comes into effect upon approval of (i) above at the Extraordinary General Meeting of Shareholders, the Company will be a company issuing class shares (*shurui kabushiki hakko kaisha*) as defined in the Companies Act. In order for the partial amendment to the articles of incorporation referred to in (ii) above to take effect, a resolution is required to be adopted at a general meeting of class shareholders consisting of shareholders who own the Company's shares of common stock which will become subject to class-wide call ("General Meeting of Class Shareholders") in accordance with Article 111, paragraph 2, item 1 of the Companies Act, in addition to a resolution at the Extraordinary General Meeting of Shareholders approving (ii) above; accordingly, Tender Offeror will request that the Company convene the General Meeting of Class Shareholders on the same date as the Extraordinary General Meeting of Shareholders.

If the Tender Offer is successfully completed and the proposals referred to above are submitted to the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders, Tender Offeror plans to vote in favor of the proposals at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders.

If the steps referred to above are taken, all shares of common stock issued by the Company will become subject to class-wide call and all those shares (excluding treasury shares) will be acquired by the Company, and the Company shares of a different class will be issued to the Company's shareholders (excluding the Company) in consideration for the acquisition. If the number of class shares of the Company to be delivered to any shareholder of the Company is a fraction less than one, the shareholder will receive money earned from the sale or other disposal of the class shares of the Company in the number equal to the sum of the fractions (if the sum results in a fraction, that sum will be rounded down) in accordance with Article 234 of the Companies Act and other relevant laws and regulations. The sales price of the class shares of the Company in the number equivalent to the sum of the fractions will be determined so that the amount payable to shareholders as a result of the sale will be equal to the amount obtained by multiplying the Offer Price by the number of shares of common stock of the Company held by the shareholders. The class and number of shares of the Company to be delivered in exchange for the acquisition of shares of common stock of the Company subject to class-wide call have not been determined as of the date hereof; however, Tender Offeror plans to request the Company to determine the class and number so that the number of the Company shares to be delivered to the Company's shareholders other than Tender Offeror who have not tendered their shares in the Tender Offer will be a number less than one in order for Tender Offeror to own all shares issued by the Company (excluding treasury shares).

In order to protect the rights of minority shareholders in connection with the steps set forth in (ii) and (iii) above, the Companies Act provides as follows: (A) in connection with the amendment to the articles of incorporation to make the shares of common stock subject to class-wide call as described in (ii) above, a shareholder may require that his or her shares be purchased in accordance

with the provisions of Articles 116 and 117 of the Companies Act and other relevant laws and regulations; and (B) if a resolution is adopted to approve the acquisition of all the shares subject to class-wide call at the Extraordinary General Meeting of Shareholders as described in (iii) above, a shareholder may file a petition with a court to determine the acquisition price of those shares in accordance with the provisions of Article 172 of the Companies Act and other relevant laws and regulations. The purchase price and the acquisition price per share payable in these cases will be ultimately determined by a court.

The scheme described above regarding making all shares of common stock issued by the Company subject to class-wide call and delivering the Company shares of a different class in exchange for acquisition of all those shares may be replaced by another scheme which enables achievement of similar effects, depending on the authoritative interpretation of the relevant laws and regulations, as well as the status of holding of Tender Offeror's shares and the status of holding of the Company's shares by the Company's shareholders other than Tender Offeror after the Tender Offer. However, even in that case, Tender Offeror plans to request the Company to adopt a scheme in which money will ultimately be paid to the Company's shareholders other than Tender Offeror who have not tendered their shares in the Tender Offer; and it is planned that the amount of money to be paid to the Company's shareholders is to be calculated the same as the price obtained by multiplying the Offer Price by the number of shares of common stock of the Company that the shareholder held.

The Tender Offeror plans, in principle, to complete the procedures taken described above to make the Company a wholly-owned subsidiary of Tender Offeror by around May 31, 2011.

If, after the steps described above have been taken, Tender Offeror has confirmed that there is no hindrance from the perspective of business operations and management of the Company (including but not limited to Tender Offeror having obtained any necessary approval and permits), it is possible that a restructuring transaction such as a merger will take place between Tender Offeror and the Company.

Please note that the Tender Offer is not intended to solicit approval of the Company's shareholders at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders.

(5) Prospect of Delisting and Grounds Therefor

While shares of common stock of the Company are listed on Tokyo Stock Exchange as of the date hereof, shares of common stock of the Company may be delisted upon following certain procedures, if any of the criteria for delisting of share certificates set by Tokyo Stock Exchange ("Delisting Criteria") is met as a result of the Tender Offer, since Tender Offeror has not set any upper limit on the number of Share Certificates etc. to be purchased by the Tender Offer.

Further, even if none of the Delisting Criteria is met at the time of successful completion of the Tender Offer, since Tender Offeror contemplates acquiring all shares issued by the Company and making the Company its wholly-owned subsidiary in accordance with applicable laws and regulations, as described in "(4) Plans for Restructuring Following the Tender Offer (Matters regarding So-Called Two-Tier Acquisition)" above, the shares of common stock of the Company will be delisted in that case. After the delisting of shares of common stock of the Company, it will become impossible to trade shares of common stock of the Company on the Tokyo Stock Exchange.

3. Matters Related to Material Agreements Concerning Tendering in the Tender Offer Between Tender Offeror and the Company Shareholders

It is reported that Tender Offeror entered into a memorandum of understanding dated December 2, 2010, with Mr. Takazoe and Mr. Matsuyoshi in connection with the Tender Offer. Set forth below is a summary thereof:

(i) Mr. Takazoe and Mr. Matsuyoshi shall tender all of their shares of common stock and Series 9 Share Acquisition Rights of the Company in the Tender Offer (with respect to Series 9 Share Acquisition Rights, they shall either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of the Company thereby acquired).

(ii) Under entrustment by Irish Co, which will become the 100% parent company of Tender Offeror, Mr. Takazoe and Mr. Matsuyoshi shall continue to participate in the management of the Company following the Tender Offer as representative director and president and director of the Company, respectively, and shall not resign from the office of representative director and president or director of the Company or reject reappointment as such without the prior consent of Irish Co.

(iii) Tender Offeror, Mr. Takazoe, and Mr. Matsuyoshi acknowledge that after the completion of the Transactions, Mr. Takazoe and Mr. Matsuyoshi intend to, and/or intend to cause a company owned by them to, contribute a certain amount to Tender Offeror or acquire a certain number of shares of Tender Offeror, and shall consult in good faith with respect to the terms of the contribution.

(iv) If Tender Offeror procures funds necessary for the Transactions (including funds to make a loan to the Company to apply to refinance the Company's interest-bearing debts) by a loan from a bank or any other financial institution, Mr. Takazoe and Mr. Matsuyoshi shall, or shall cause a company owned by them to, pledge the shares of Tender Offeror held by them or that company to secure the loan.

In addition, after the completion of the Transactions, Irish Co plans to enter into a management entrustment agreement with each of Mr. Takazoe and Mr. Matsuyoshi in connection with, among other things, the management of the Company, which provides for the following:

(i) Unless there are special circumstances, Mr. Takazoe shall remain as the representative director and president of the Company for 5 years following the execution of the agreement, and Mr. Matsuyoshi shall remain as the director of the Company until the expiration of the term of office of director effective at the time of execution of the agreement (if certain grounds do not exist, the term of office of director shall be renewed under the same conditions every two years; and if reappointed as a director, the agreement shall continue to apply), and they shall not resign from the office or reject reappointment as such without Irish Co's prior consent.

(ii) Mr. Takazoe and Mr. Matsuyoshi shall, during their terms of office as representative director and director of the Company receive monthly remuneration in amounts that are, in principle, similar to the amounts of remuneration paid by the Company prior to the Tender Offer in consideration for the performance of their services and duties (the details of the remuneration will be further discussed between Irish Co and Mr. Takazoe and Mr. Matsuyoshi, respectively).

(iii) As advance payment of part of the consideration for their continued services as the representative director and president and as a director of the Company following the Transactions, on a day separately agreed on between Irish Co and Mr. Takazoe and Mr. Matsuyoshi respectively, Mr. Takazoe and Mr. Matsuyoshi will respectively receive a lump sum payment of 120 million yen. If, within eight months of the execution of the agreement, either of Mr. Takazoe or Mr. Matsuyoshi dies, is dismissed or is removed from the office of representative director or director of the Company on certain grounds, or is requested to resign from such office, or their reappointment is rejected or either of them resigns from the office of representative director or director of the Company, he shall return the lump sum payment to Tender Offeror.

(iv) Neither Mr. Takazoe nor Mr. Matsuyoshi will receive retirement bonuses.

(v) Mr. Takazoe shall be granted stock options entitling him to acquire shares of the Tender Offeror of 2% of the total number of shares issued by Tender Offeror immediately prior to the issuance of the stock options. Mr. Matsuyoshi shall be granted stock options entitling him to acquire shares of the Tender Offeror of 0.5% of the total number of shares issued by Tender Offeror immediately prior to the issuance of the stock options.

Mr. Masatsugu Matsuzaki and Mr. Tetsuo Saito, directors of the Company other than Mr. Takazoe and Mr. Matsuyoshi, have not agreed with Tender Offeror to participate in the management of the Company following the Tender Offer; and Mr. Kazuhiko Kihara, Mr. Shigeo Iino and Mr. Kazuharu Tomioka, corporate auditors of the Company, have not agreed with Tender Offeror to remain in office as corporate auditors following the Tender Offer.

Further, after the completion of the Transactions, a shareholders agreement is planned to be executed between Irish Co and Mr. Takazoe and/or a company owned by him and between Irish Co and Mr. Matsuyoshi and/or a company owned by him, respectively, relating to shares of Tender

Offeror (or the Company after merger with Tender Offeror). However, no specific contents have been agreed upon as of the date hereof.

4. Details Regarding Provision of Benefits by Tender Offeror or its Specially Interested Persons

Not applicable

5. Policy for Responses Regarding Basic Policies on the Control of the Company

Not applicable

6. Inquiries to the Tender Offeror

Not applicable

7. Request for Extension of the Tender Offer Period

Not applicable

8. Future Prospects

Please refer to “(C) Management Policies Following Implementation of the Tender Offer” in “(ii) Decision-Making Process Resulting in the Favor Opinion on the Tender Offer” of “(2) Grounds and Reasons for the Opinion” of “2. Details of, and Grounds and Reasons for, the Opinion Concerning the Tender Offer” above.

9. Others

Not applicable

(Reference) “Notice Regarding Commencement of Tender Offer for Share Certificates, etc. of INVOICE INC.” dated December 2, 2010

End

[Translation]

December 2, 2010

To whom it may concern:

Company Name: MBKP2 K.K.
Name of Representative: Sohei Suzuki,
Representative Director

Notice Regarding Commencement of Tender Offer for Share Certificates, etc. of INVOICE INC.

MBKP2 K.K. ("Tender Offeror") hereby announces that on the date hereof Tender Offeror determined to acquire shares of common stock and share acquisition rights of INVOICE INC. (code No.: 9448, First Section of the Tokyo Stock Exchange; "Target") by a tender offer set forth in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; "Act") ("Tender Offer") as follows.

Details

1. Purposes of Tender Offer

(1) Summary of the Tender Offer

Tender Offeror is a *kabushiki kaisha*, whose issued shares are 100% owned by Tower0309 B.V. (established in the Kingdom of the Netherlands) ("Tower"), and whose main purpose is to acquire and own Target shares. Tower intends to transfer all of its shares in Tender Offeror to Blue Tower Limited (established in Ireland) ("Irish Co"), whose issued shares are 100% owned by Tower, prior to the commencement date of settlement of the Tender Offer from the perspective of establishing efficient investment schemes.

Tower is an investment purpose company of MBK Partners (referring collectively to the group). MBK Partners is an independent private equity firm specializing in and leading the East Asia region, which was established in March 2005 in anticipation of the later rapid development of the private equity investment market in three countries, namely Japan, Korea, and China. MBK Partners has approximately 3.7 billion US dollars under management; makes a wide range of investments in large- to middle-sized enterprises, focusing on fields such as telecommunications/media, financial services, business services, consumer goods, transportation, and general manufacturing; and actively provides management assistance to maximize enterprise value.

Tender Offeror will implement the Tender Offer as part of a series of transactions in order for Tender Offeror to acquire all of the issued shares of Target except for the treasury stock held by Target (it is possible that Series 9 Share Acquisition Rights (as defined in "2. Summary of Purchase, etc.," "(3) Purchase Price, etc.," "(ii) Share Acquisition Rights" below; hereinafter the same) will be exercised by the last day of the period for the purchase, etc. in the Tender Offer ("Tender Offer Period"); therefore, the Target shares of common stock to be issued or transferred upon the exercise are also included in the subject of the Tender Offer; hereinafter the same) and all of the Share Acquisition Rights (as defined in "2. Summary of Purchase, etc.," "(3) Purchase Price, etc.," "(ii) Share Acquisition Rights" below; hereinafter the same) issued by Target, to make Target a wholly-owned subsidiary of Tender Offeror, and to further delist the shares of Target ("Transactions").

In connection with the Tender Offer, Tender Offeror has entered into an agreement with each of Mr. Ikuo Kimura, the founder of Target ("Mr. Kimura") (owner of 1,062,780 shares; owner of 10,000 share acquisition rights; the proportion of (x) to (y) ("Proportion of Owned Shares"): 9.11% (rounded up to the second decimal place, hereinafter the same in calculation of the Proportion of Owned Shares), wherein (x) is the sum of the number of owned shares and the number of Target shares of common stock underlying the owned share acquisition rights and (y) is the number (11,779,567 shares) obtained by (i) adding the number of issued shares of Target as of September 30, 2010, indicated in the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) to the number of shares of

common stock (483,000 shares) underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000), and (ii) deducting from the sum thereof the number of shares of treasury stock owned by Target as of September 30, 2010, indicated in the quarterly report (383,586 shares)), Yugen Kaisha Kimura Ikuo, a company wholly-owned by Mr. Kimura (owner of 330,000 shares; Proportion of Owned Shares: 2.80%), Mr. Toshiyuki Takazoe, the representative director and president of Target ("Mr. Takazoe") (owner of 144,606 shares; owner of 60,000 share acquisition rights; Proportion of Owned Shares: 1.74%), and Mr. Shunji Matsuyoshi, the managing director of Target ("Mr. Matsuyoshi") (owner of 98,520 shares; owner of 54,000 share acquisition rights; Proportion of Owned Shares: 1.29%), pursuant to which each of these parties has agreed to tender all of their shares of common stock and Share Acquisition Rights of Target in the Tender Offer (with respect to Series 9 Share Acquisition Rights held by Mr. Takazoe and Mr. Matsuyoshi, they shall either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired). As 1,062,780 shares of the Target common stock owned by Mr. Kimura are pledged for the benefit of Mizuho Bank, Ltd., 330,000 shares of the Target common stock owned by Yugen Kaisha Kimura Ikuo are pledged for the benefit of Mizuho Bank, Ltd., and 97,020 shares of the Target common stock owned by Mr. Matsuyoshi are pledged for the benefit of The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mr. Kimura, Yugen Kaisha Kimura Ikuo, and Mr. Matsuyoshi plan to tender all of these pledged shares in the Tender Offer after having each pledgee cancel these pledges.

It is contemplated that the Tender Offer will be made by management buyout (MBO) (this generally refers to an acquisition of shares of the target company upon contribution of funds from all or some of the directors of the target company who execute the business thereof, which is implemented on the assumption that the business of the target company will be continued), and Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror to continue to participate in the management of Target as the representative director and president and as a director of Target, respectively, following the Tender Offer as described in "(4) Agreements Concerning the Tender Offer" below. In addition, Tender Offeror, Mr. Takazoe and Mr. Matsuyoshi have acknowledged that after the completion of the Transactions, Mr. Takazoe and Mr. Matsuyoshi intend to, and/or intend to cause a company owned by them to, contribute a certain amount to Tender Offeror or acquire a certain number of shares of Tender Offeror, and intend to consult in good faith with respect to the terms of the contribution. Mr. Masatsugu Matsuzaki and Mr. Tetsuo Saito, directors of Target other than Mr. Takazoe and Mr. Matsuyoshi, have not agreed with Tender Offeror to participate in the management of Target following the Tender Offer or the like; and Mr. Kazuhiko Kihara, Mr. Shigeo Iino and Mr. Kazuharu Tomioka, corporate auditors of Target, have not agreed with Tender Offeror to remain in office as corporate auditors following the Tender Offer or the like.

In the Tender Offer, the minimum number of shares, etc. contemplated to be purchased is 8,834,675 shares, and if the sum of the aggregate number of Target shares of common stock tendered in the Tender Offer and the aggregate number of Target shares of common stock underlying the Share Acquisition Rights tendered in the Tender Offer is below the minimum number of shares, etc. contemplated to be purchased, no Target shares of common stock and Share Acquisition Rights tendered in the Tender Offer ("Tendered Share Certificates etc.") will be purchased. The minimum number of shares, etc. contemplated to be purchased is obtained as follows. (A) The sum of (i) the total number of issued shares of Target as of September 30, 2010, indicated in the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) and (ii) the aggregate number of shares of common stock underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000 shares) (12,163,153 shares), minus (B) the number of Target's treasury shares as of September 30, 2010, indicated in the quarterly report (383,586 shares) (11,779,567 shares), (C) multiplied by 0.75 (8,834,676 shares (fractions rounded up to the nearest whole number)), and (D) minus the number of shares of common stock of Target owned by Tender Offeror (one share). This number exceeds the number of shares (8,439,679 shares) obtained by adding the Number of Shares Owned by Shareholders Who Agreed to Tendering (as defined below) (1,759,906 shares) to the number of shares equivalent to two-thirds (6,679,773 shares) of the number of

shares (10,019,660 shares) obtained by deducting the total number of shares owned and shares underlying the Share Acquisition Rights owned by Yugen Kaisha Kimura Ikuo, Mr. Kimura, Mr. Takazoe and Mr. Matsuyoshi, who agreed to tender their shares or Share Acquisition Rights in the Tender Offer (“Number of Shares Owned by Shareholders Who Agreed to Tendering”) (1,759,906 shares), from the number of shares, etc. contemplated to be purchased in the Tender Offer (“Number of Shares, etc. Contemplated to be Purchased”). Thus, with respect to the Target shares and the Share Acquisition Rights other than those agreed to be tendered in the Tender Offer, if a large number of shareholders or holders of the Share Acquisition Rights do not tender their shares or Share Acquisition Rights in the Tender Offer, the Tender Offer will not be conducted; and the intention of the Target shareholders and holders of the Share Acquisition Rights will be respected. There is no upper limit on the Number of Shares, etc. Contemplated to be Purchased in the Tender Offer, and if shares exceeding the minimum Number of Shares, etc. Contemplated to be Purchased are tendered, all Tendered Share Certificates etc. will be purchased.

According to Target, according to the Target Valuation Report (defined in “(5) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer,” “(iii) Target Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser”; hereinafter the same), the Fairness Opinion (defined in “(5) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer,” “(iii) Target Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser”; hereinafter the same) concerning the purchase price, etc. per Target share of common stock in the Tender Offer (the “Offer Price”), and advice obtained from Deutsche Securities Inc. (“Deutsche Securities”), Target’s financial advisor; legal advice obtained from TMI Associates (“TMI”), Target’s legal advisor; a response and opinion submitted by the third-party committee; other related materials, Target decided that the Offer Price, the purchase price, etc. per Share Acquisition Right, and other conditions concerning the Tender Offer are adequate for Target shareholders and holders of the Share Acquisition Rights and that therefore the Tender Offer is to provide Target shareholders and holders of the Share Acquisition Rights with a reasonable opportunity to sell their shares and Share Acquisition Rights, Target passed a resolution to express an opinion in favor of the Tender Offer and to recommend to Target shareholders and holders of the Share Acquisition Rights to accept the Tender Offer at the meeting of the board of directors of Target held on the date hereof by the unanimous approval of two directors excluding Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of Target, respectively.

Further, at the meeting of the board of directors of Target, all corporate auditors participated in the deliberation; and all corporate auditors who participated in the deliberation stated that they had no objection to the board of directors of Target expressing an opinion in favor of the Tender Offer and recommending that the Target shareholders and holders of the Share Acquisition Rights accept the Tender Offer.

Moreover, Tender Offeror intends to take out a loan (“Purchase Loan”) of the maximum amount of 12,500,000,000 yen from Sumitomo Mitsui Banking Corporation as a fund available to be used for the settlement of the Tender Offer on condition that the Tender Offer is successfully completed and so on. Tender Offeror intends to set a pledge over a certain asset held by Tender Offeror such as Target shares of common stock acquired through the Tender Offer as a security for the Purchase Loan. In addition, after Target becomes the fully-owned subsidiary of Tender Offeror, Tender Offeror intends to cause Target and some of its subsidiaries to be the joint and several suretyship owners of Tender Offeror, and to provide as security for the Purchase Loan a certain asset of Target and some of its subsidiaries.

(2) Background and Purposes of the Tender Offer and Decision-Making Process Resulting in the Tender Offer

Target was incorporated in December 1992 under the name of “General Tsushin Kogyo Kabushiki Kaisha” to carry on the agency business of handling applications to Type 1 telecommunications carriers. In the telecommunications industry, in which heavily capitalized large enterprises have maintained a large market

share even after deregulation, Target, since its inception, has established its position as an independent solutions partner for information and communications businesses, serving as an intermediary between customers with their various needs based on their specific circumstances and large businesses, and taking advantage of its ability to promptly and properly provide meticulous systems and services that can provide flexible responses to customers' requests that may go unheeded by large businesses. Also, in order to expand and strengthen the core business centered on services for the consolidated billing of communication charges, Target has, since the commencement of its services for the consolidated billing of communication charges, positively worked on mergers and acquisitions in similar or related business fields, including conducting company acquisitions and acquiring businesses on a number of occasions. Against a backdrop of these expansions of operating areas and scale of Target, Target has expanded its business smoothly and strengthened its management foundation, as shown by the facts that Target has achieved a listing of its shares on the over-the-counter market at the Japan Securities Dealers Association in 2002 and a listing on the Second Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") in 2003, and that Target was assigned to the First Section of the Tokyo Stock Exchange in 2004.

However, since 2007, due to the effect of the world-wide financial instability triggered by the subprime loan crisis in the U.S., Target was forced to file a petition for civil rehabilitation procedures of DYNACITY Corporation, which Target made its subsidiary through a merger and acquisition in 2006 as part of the reinforcement of businesses targeting individuals, that resulted in significant damage to Target's real estate-related business. As a result, the financial position of Target's group as a whole, including Target, deteriorated remarkably.

Meanwhile, presently, in the telecommunications industry in Japan, competition among businesses is being further intensified, there are further reductions in telecommunications charges, and downward pressure is increasing on Target's sales and profits. In the mobile communications market, the competition among businesses in the acquisition of customers has increasingly intensified with, in addition to the availability of various mobile phone handsets, the development of smart phones newly-equipped with personal computer functionality, the expansion of content services such as music, images and electronic books, and other factors. In the fixed-line phone market, the business environment has become increasingly severe because there have been further reductions in basic charges and other factors while businesses are forced to respond to rapid changes such as merging with mobile communications. These recent rapid changes in the business environment surrounding Target are also exerting an influence on Target's business development, and it is well anticipated that there will be further downward pressure on Target's sales and profits in the future.

In the midst of such a severe management environment surrounding the Japanese economy and telecommunications business, Target has taken various measures to re-establish its management and financial foundations.

In other words, in order to re-establish a solid management structure and foundation, Target has striven to expand its customer base by concentrating its management resources into the telecommunications business and further enhancing sales activities for its core business, that is, services for the consolidated billing of communication charges for enterprises, and has also been committed to thoroughly reviewing its profitability, including focusing more on coping with unprofitable customers and working on customer services through, among others, consulting on a telecommunications plan that meets customers' needs; thereby striving to improve its business performance. Also, concurrently, Target has striven to improve its profitability by driving efforts to promote the streamlining of organizations and reduce costs of sales and selling and general administrative expense.

In addition, in order to restore its financial soundness, which deteriorated due to the filing of a petition for civil rehabilitation procedures of DYNACITY Corporation, Target exerted itself to recover confidence, including by making efforts to eradicate its accumulated losses through, among others, capital reduction.

As a result of these company efforts, Target was able to achieve sales and profit growth in the consolidated business performance of the 1st quarter of the 19th Fiscal Year, and similarly was able to sustain strong performance in the consolidated business performance of the 2nd quarter of the 19th Fiscal Year as well.

However, as mentioned above, if we look at the recent economic climate, although signs of recovery can be seen in that there is a trend toward emergence from the financial crisis in the international economic climate and in that the effects of policies have started to become apparent in such areas as external demand-led export and manufacture as well as individual consumption in the economic climate in Japan; nevertheless, considering foreign exchange rate trends, an increasingly severe employment environment in Japan, and other factors, the economic environment surrounding Target is clearly still in a severe situation, and it is impossible to deny that profits might become less than expected in such a severe economic environment. In addition, in today's telecommunications industry, the competition among carriers in the acquisition of customers is entering a new phase due to the ongoing rapid development of, among others, the availability of smart phones and various other handsets in the mobile communications market and convergence of services for fixed-line communications and those for mobile communications; and the environment is becoming one where enhancing Target's enterprise value in the medium- to long-term will be difficult to achieve by the above-mentioned Company's efforts alone. Therefore, there is a pressing need to further strengthen the management foundation by not only further promoting such Company's efforts in the future but also establishing a new business model that can respond to rapid changes in the environment and enhance Target's enterprise value in the medium- to long-term.

On the other hand, Target is in a state where it is not necessarily easy to promptly implement various management policies, including (a) establishment of new business models aiming to respond to rapid changes in the management environment and (b) consideration of mergers and acquisitions toward the establishment of those business models. This is because there have been no major changes in the valuation of Target in the market even after the above-mentioned various measures to strengthen its financial foundation, some of the past mergers and acquisitions are exerting a significant effect on business performance, and Target has a myriad of more than 60,000 shareholders due to past capital policies.

Thus, Tender Offeror is of the opinion that in Target, establishing a foothold for a medium- to long-term enhancement of its enterprise value by means of the following is a pressing issue: while continuously expanding the customer bases in the existing services and expanding the business scale of services for the consolidated billing of communication charges, which is Target's core business, searching for new sources of profits other than existing services including conducting in-house development of new businesses and expanding lines of services for enterprises; positively considering a merger and acquisition or the like with a peer company again, which Target used to carry out actively but was hesitant about over these past few years; and conducting the reallocation of management resources and restructuring of organization systems that make it possible to make business decisions on the foregoing in a more efficient and prompt manner.

On the other hand, Tender Offeror believes that because the implementation of these managerial measures toward a medium- to long-term enhancement of the enterprise value requires certain cost and time before its effect materializes, such implementation is not always positively evaluated in the capital markets which tend to focus on short-term expansion of business performance and might cause Target shareholders to suffer a negative impact in the short-term, and that in order to accept these business risks, such as short-term deterioration in business performance, and achieve a medium- to long-term enhancement of the enterprise value, it is necessary for the management and employees of Target to make united efforts under the unified management policy by cooperating with a third party who has abundant experience in management assistance without being influenced by short-term changes in business performance.

Under these circumstances, Tender Offeror has through numerous discussions starting from around the early part of January 2010 with Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of Target, respectively, reached the conclusion in around the latter part of August 2010 that, to enable Target to grow in the medium- to long-term and to accomplish continued enhancement of the enterprise value while avoiding implementing managerial measures toward a medium- to long-term enhancement of the enterprise value at the risk of general shareholders, the most effective means would be the management and employees of Target making united efforts toward the above-mentioned managerial measures under Mr. Takazoe's and Mr. Matsuyoshi's leadership, who are Target's representative director and

president and managing director, respectively, by cooperating with a third party who has abundant experience in management assistance after Target shares of common stock are delisted by management buyout, Target shareholders are limited to a small number of people who can accept the above-mentioned risks, and after preparations are made to stick to the unified management policy without being influenced by short-term changes in business performance.

Since Target had received from Tower a proposal for the Tender Offer and other Transactions based on the above conclusion in around the latter part of August 2010, Target reportedly gave serious consideration to the proposal and other proposals which it had received by then from several candidates other than Tower. As a result, Target reportedly decided to proceed with discussions with Tower on the Tender Offer and other Transactions under the conditions described in “(5) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer” “(vii) Relatively Long Tender Offer Period” below.

Because the Tender Offer and other Transactions are to be implemented as part of a management buyout and there is an issue of a structural conflict of interest because of their characteristics, Target has, for the purposes of (a) holding meetings of the board of directors of Target relating to the Tender Offer and other Transactions in a fair manner, (b) eliminating to the extent possible any arbitrariness in the decision-making process of the meetings, and (c) discussing, deliberating on, and negotiating for, the Tender Offer and other Transactions from the perspective of the Target’s enterprise value, and thus the common interests of Target shareholders, done the following: (i) decided to establish a project team concerning the Transactions (“Target Project Team”) which consists of Mr. Masatsugu Matsuzaki, director of Target, and Mr. Tetsuo Saito, external director of Target and falling under the category of an independent director/auditor set forth in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (“Independent Director/Auditor”), who are not in situations such as having agreed with the Tender Offeror (a) to tender the shares of common stock of Target and the Share Acquisition Rights held by them in the Tender Offer (with respect to Series 9 Share Acquisition Rights, to either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired), (b) to continue to participate in the management of Target after the Tender Offer, (c) to contribute to Tender Offeror or acquire a certain number of shares of Tender Offeror after the completion of the Transactions, or (d) to receive special merits or benefits upon proceeding with the Transactions, and therefore have no special interests in the Tender Offer and other Transactions, and which has the head of the Corporate Strategy Division of Target as its organizer; and (ii) had numerous discussions and deliberations in the Target Project Team on the Tender Offer and other Transactions from the above-mentioned perspective and held discussions and negotiations with Tender Offeror in connection with the Tender Offer and other Transactions on a number of occasions. While Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror with respect to the Tender Offer and other Transactions to continue to participate in the management of Target after they tender all the shares of common stock and Series 9 Share Acquisition Rights of Target that they hold in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired) as described in “(4) Agreements Concerning the Tender Offer,” according to Target, neither Mr. Takazoe nor Mr. Matsuyoshi has been appointed as a member of the Target Project Team nor have either of them participated in the above-mentioned discussions, deliberations and negotiations by the Target Project Team and decision-making concerning the Tender Offer in the meetings of the board of directors of Target.

Further, the board of directors of Target carefully discussed and deliberated on the conditions concerning the Tender Offer and other Transactions in light of the following: contents of a resolution of the board of directors of Target, which were proposed by the Target Project Team based on the results of the discussions, deliberations, and negotiations, as indicated under “(5) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer” below; the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities, Target’s financial advisor; the legal advice obtained from TMI, Target’s legal advisor;

the response and opinion submitted by a third-party committee consisting of two external corporate auditors and one external expert all of whom are independent from Tender Offeror and Target; and other related materials, as a result of which the board of directors of Target having decided that implementing managerial measures toward a medium- to long-term enhancement of the enterprise value proposed by Tender Offeror while avoiding doing so at the risk of the general shareholders leads to achieving Target's medium- to long-term growth and continued enhancement of enterprise value, and is the best option for Target; and that the Offer Price, the purchase price, etc. per Share Acquisition Right, and other conditions concerning the Tender Offer are adequate for Target shareholders and holders of the Share Acquisition Rights according to the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party committee; other related materials; and that therefore the Tender Offer is to provide Target shareholders and holders of the Share Acquisition Rights with a reasonable opportunity to sell their shares and Share Acquisition Rights, reportedly passed a resolution to express an opinion in favor of the Tender Offer and to recommend to Target shareholders and holders of the Share Acquisition Rights to accept the Tender Offer at the meeting of the board of directors of Target held on the date hereof by the unanimous approval of two directors excluding Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of Target, respectively. Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of Target, respectively, reportedly did not participate in the deliberation and resolution at the meeting of the board of directors as specially interested parties.

Further, at the meeting of the board of directors of Target, all corporate auditors participated in the deliberation; and all corporate auditors who participated in the deliberation stated that they had no objection to the board of directors of Target expressing an opinion in favor of the Tender Offer and recommending that the Target shareholders and holders of the Share Acquisition Rights accept the Tender Offer. (see “(5) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer” “(vi) Approval of All Uninterested Directors and Corporate Auditors”).

(3) Management Policies Following Implementation of the Tender Offer

Tender Offeror plans to enhance Target's enterprise value in the medium- to long-term while creating an organization which enables flexible business decisions by virtue of delisting Target shares through the Tender Offer and continuously supporting the management of Target as well as considering the possibility of, among others, attracting new customers through cooperation with other investments by MBK Partners.

Also, if the Tender Offer is completed successfully, Tender Offeror plans, promptly upon completion of settlement of the Tender Offer, to have Target convene an extraordinary general meeting of shareholders to appoint directors so that the majority of the board of directors of Target will consist of persons designated by Tender Offeror.

With respect to the employment of Target employees following the Tender Offer, as a general rule, Tender Offeror contemplates maintaining current conditions of employment.

Also, Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror to continue to participate in the management of Target following the Tender Offer as representative director and president and director of Target, respectively, as described in “(4) Agreements Concerning the Tender Offer.” Mr. Masatsugu Matsuzaki and Mr. Tetsuo Saito, directors of Target other than Mr. Takazoe and Mr. Matsuyoshi, have not agreed with Tender Offeror to participate in the management of Target following the Tender Offer; and Mr. Kazuhiko Kihara, Mr. Shigeo Iino and Mr. Kazuharu Tomioka, corporate auditors of Target, have not agreed with Tender Offeror to remain in office as corporate auditors following the Tender Offer.

(4) Agreements Concerning the Tender Offer

Tender Offeror entered into a memorandum of understanding dated the date hereof, with Mr. Takazoe and

Mr. Matsuyoshi in connection with the Tender Offer. Set forth below is a summary thereof:

(i) Mr. Takazoe and Mr. Matsuyoshi shall tender all of their shares of common stock and Series 9 Share Acquisition Rights of Target in the Tender Offer (with respect to Series 9 Share Acquisition Rights, they shall either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired).

(ii) Under entrustment by Irish Co, which will become the 100% parent company of Tender Offeror, Mr. Takazoe and Mr. Matsuyoshi shall continue to participate in the management of Target following the Tender Offer as representative director and president and director of Target, respectively, and shall not resign from the office of representative director and president or director of Target or reject reappointment as such without the prior consent of Irish Co.

(iii) Tender Offeror, Mr. Takazoe, and Mr. Matsuyoshi acknowledge that after the completion of the Transactions, Mr. Takazoe and Mr. Matsuyoshi intend to, and/or intend to cause a company owned by them to, contribute a certain amount to Tender Offeror or acquire a certain number of shares of Tender Offeror, and shall consult in good faith with respect to the terms of the contribution.

(iv) If Tender Offeror procures funds necessary for the Transactions (including funds to make a loan to Target to apply to refinance Target's interest-bearing debts) by a loan from a bank or any other financial institution, Mr. Takazoe and Mr. Matsuyoshi shall, or shall cause a company owned by them to, pledge the shares of Tender Offeror held by them or that company to secure the loan.

In addition, after the completion of the Transactions, Irish Co plans to enter into a management entrustment agreement with each of Mr. Takazoe and Mr. Matsuyoshi in connection with, among other things, the management of Target, which provides for the following:

(i) Unless there are special circumstances, Mr. Takazoe shall remain as the representative director and president of Target for 5 years following the execution of the agreement, and Mr. Matsuyoshi shall remain as the director of Target until the expiration of the term of office of director effective at the time of execution of the agreement (if certain grounds do not exist, the term of office of director shall be renewed under the same conditions every two years; and if reappointed as a director, the agreement shall continue to apply), and they shall not resign from the office or reject reappointment as such without Irish Co's prior consent.

(ii) Mr. Takazoe and Mr. Matsuyoshi shall, during their terms of office as representative director and director of Target receive monthly remuneration in amounts that are, in principle, similar to the amounts of remuneration paid by Target prior to the Tender Offer in consideration for the performance of their services and duties (the details of the remuneration will be further discussed between Irish Co and Mr. Takazoe and Mr. Matsuyoshi, respectively).

(iii) As advance payment of part of the consideration for their continued services as the representative director and president and as a director of Target following the Transactions, on a day separately agreed on between Irish Co and Mr. Takazoe and Mr. Matsuyoshi respectively, Mr. Takazoe and Mr. Matsuyoshi will respectively receive a lump sum payment of 120 million yen. If, within eight months of the execution of the agreement, either of Mr. Takazoe or Mr. Matsuyoshi dies, is dismissed or is removed from the office of representative director or director of Target on certain grounds, or is requested to resign from such office, or their reappointment is rejected or either of them resigns from the office of representative director or director of Target, he shall return the lump sum payment to Tender Offeror.

(iv) Neither Mr. Takazoe nor Mr. Matsuyoshi will receive retirement bonuses.

(v) Mr. Takazoe shall be granted stock options entitling him to acquire shares of the Tender Offeror of 2% of the total number of shares issued by Tender Offeror immediately prior to the issuance of the stock options. Mr. Matsuyoshi shall be granted stock options entitling him to acquire shares of the Tender Offeror of 0.5% of the total number of shares issued by Tender Offeror immediately prior to the issuance of the stock options.

Mr. Masatsugu Matsuzaki and Mr. Tetsuo Saito, directors of Target other than Mr. Takazoe and Mr. Matsuyoshi, have not agreed with Tender Offeror to participate in the management of Target following the Tender Offer; and Mr. Kazuhiko Kihara, Mr. Shigeo Iino and Mr. Kazuharu Tomioka, corporate auditors of

Target, have not agreed with Tender Offeror to remain in office as corporate auditors following the Tender Offer.

Further, after the completion of the Transactions, a shareholders agreement is planned to be executed between Irish Co and Mr. Takazoe and/or a company owned by him and between Irish Co and Mr. Matsuyoshi and/or a company owned by him, respectively, relating to shares of Tender Offeror (or Target after merger with Tender Offeror). However, no specific contents have been agreed upon as of the date hereof.

(5) Measures to Ensure Fairness of the Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of the Tender Offer

Since the Tender Offer is to be implemented as part of a management buyout and there is an issue of structural conflict of interest, Target and Tender Offeror have implemented the following measures to ensure the fairness of the Offer Price and the purchase price, etc. per Share Acquisition Right and to eliminate arbitrariness and avoid conflicts of interest in the decision-making process in which the implementation of the Tender Offer was decided.

(i) Deliberation, Discussion and Negotiation, etc. by the Project Team

As described in “(2) Background and Purposes of the Tender Offer and Decision-Making Process Resulting in the Tender Offer,” according to Target, because the Tender Offer and other Transactions are to be implemented as part of a management buyout and there is an issue of structural conflict of interest because of their characteristics, Target has, after receiving the proposal from Tender Offeror for the Tender Offer and other Transactions, for the purposes of (a) holding meetings of the board of directors of Target relating to the Tender Offer and other Transactions in a fair manner, (b) eliminating to the extent possible any arbitrariness in the decision-making process of the meetings, and (c) discussing, deliberating on, and negotiating for, the Tender Offer and other Transactions from the perspective of the Target’s enterprise value, and thus the common interests of Target shareholders, done the following: (i) decided to establish the Target Project Team concerning the Transactions consisting of Mr. Masatsugu Matsuzaki, director of Target, Mr. Tetsuo Saito, external director of Target and falling under the category of an Independent Director/Auditor, and other members, who are not in situations such as having agreed with the Tender Offeror (a) to tender the shares of common stock of Target and the Share Acquisition Rights held by them in the Tender Offer (with respect to Series 9 Share Acquisition Rights, to either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired), (b) to continue to participate in the management of Target after the Tender Offer, (c) to contribute to Tender Offeror or acquire a certain number of shares of Tender Offeror after the completion of the Transactions, or (d) to receive special merits or benefits upon proceeding with the Transactions, and therefore have no special interests in the Tender Offer and other Transactions; and (ii) held discussions and deliberations on the Tender Offer and other Transactions from the above-mentioned perspective in the Target Project Team. Tender Offeror has held discussions and negotiations with the Target Project Team in connection with the Tender Offer and other Transactions on a number of occasions.

In concrete, the Target Project Team has (i) held numerous discussions and deliberations on the Tender Offer and other Transactions starting from the latter part of August 2010, and (ii) while obtaining advice, opinions, and the like from advisers independent from Tender Offeror and Target as described in “(iii) Target Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser,” and “(iv) Advice from Independent Law Firm” below, held prudent discussions and deliberations with respect to the adequacy of the offered terms of the Tender Offer (including the Offer Price and the purchase price, etc. per Share Acquisition Right) and the fairness of the procedures relating to the Tender Offer and other Transactions from the perspective of the Target’s enterprise value, and thus the common interests of Target shareholders, and held discussions and negotiations with Tender Offeror in connection with the Tender Offer and other Transactions on a number of occasions. Also, as described in “(v) Deliberation

by Third-party Committee,” the Target Project Team reportedly obtained a response and opinion to the following effect: (a) it is regarded that the Tender Offer and other Transactions are implemented for the purpose of the enhancement of Target’s enterprise value; therefore, the purposes of the Transactions are rightful; (b) the procedures taken during negotiation on the Tender Offer and other Transactions are regarded as fair; and (c) the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions is adequate, from a third-party committee consisting of two external corporate auditors and one external expert all of whom are independent from Tender Offeror and Target. The Target Project Team, after having held these discussions, deliberations, and negotiations, reportedly made a proposal at the meeting of the board of directors of Target on the date hereof to the board of directors of Target to the effect that the following resolution should be passed at a meeting of the board of directors of Target: having decided that the Tender Offer and other Transactions provide a reasonable opportunity for Target shareholders and holders of the Share Acquisition Rights to sell their shares and Share Acquisition Rights and that implementing managerial measures toward a medium- to long-term enhancement of the enterprise value proposed by Tender Offeror while avoiding doing so at the risk of the general shareholders leads to achieving Target’s medium- to long-term growth and continued enhancement of Target’s enterprise value, and is the best option for Target, the board of directors will express an opinion in favor of the Tender Offer and recommend to Target’s shareholders and holders of the Share Acquisition Rights to accept the Tender Offer.

Since Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror with respect to the Tender Offer and other Transactions to continue to participate in the management of Target after they tender all their shares of common stock and Series 9 Share Acquisition Rights of Target in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired) as described in “(4) Agreements Concerning the Tender Offer” above, neither Mr. Takazoe nor Mr. Matsuyoshi has reportedly been appointed as a member of the Target Project Team nor have either of them reportedly participated in the above-mentioned deliberations, etc. by the Target Project Team.

(ii) Deliberation of the Offer Price on the Part of Tender Offeror

In order to determine the Offer Price and the purchase price, etc. per Share Acquisition Right, Tender Offeror analyzed the financial condition and business of Target from a multilateral and comprehensive perspective based on the information regarding the financial and business condition of Target furnished by Target upon request of Tender Offeror. Given that the Target shares of common stock are generally traded on a financial instruments exchange, as a result of considering whether or not Target supports the Tender Offer and whether the Tender Offer is likely to succeed, Tender Offeror set the Offer Price at 1,500 yen after a number of discussions and negotiations held with the Target Project Team, by considering the stock price performance during the past 6 months and examples of actual premiums paid in determining offer prices in past tender offers that were similar to the Tender Offer. Tender Offeror did not obtain a valuation from a third party appraiser in determining the Offer Price and the purchase price, etc. per Share Acquisition Right.

The Offer Price of 1,500 yen is equivalent to the closing price of the shares of common stock of Target (1,261 yen) on the Tokyo Stock Exchange as of December 1, 2010, the Business Day immediately preceding the date hereof, which is the date of announcement of the Tender Offer, with a premium of 19.0% (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during the one month ending on that date (from November 2, 2010 to December 1, 2010) (1,095 yen) (rounded up to the whole yen, hereinafter the same in calculation of the arithmetic average of the closing prices of the shares) with a premium of 37.0% (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during the three months ending on that date (from September 2, 2010 to December 1, 2010) (1,089 yen) with a premium of 37.7% (rounded up to one decimal place), or the

arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during six months ending on that date (from June 2, 2010 to December 1, 2010) (1,128 yen) with a premium of 33.0% (rounded up to one decimal place).

The Share Acquisition Rights included in the subject of the Tender Offer are the share acquisition rights that were issued as stock options to Target employees, with respect to Series 8 Share Acquisition Rights (as defined in “2. Summary of Purchase, etc.,” “(3) Purchase Price, etc.,” “(ii) Share Acquisition Rights” below; hereinafter the same), and to directors and corporate auditors of Target, with respect to Series 9 Share Acquisition Rights. According to the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010), as a condition to the exercise of the Share Acquisition Rights, the holder is required, with respect to Series 8 Share Acquisition Rights, to be an employee of Target, and with respect to Series 9 Share Acquisition Rights, to be a director or corporate auditor of Target; therefore, Tender Offeror will not be able to exercise the Share Acquisition Rights even if it purchases the Share Acquisition Rights in the Tender Offer. However, while Tender Offeror contemplates acquisition of all the shares, etc. issued by Target by means of a management buyout and making Target its wholly-owned subsidiary, the exercise period of Series 8 Share Acquisition Rights will not commence before the last day of the Tender Offer Period, but instead will commence on March 21, 2011, a day which is near to the last day of the Tender Offer Period; and the exercise period of Series 9 Share Acquisition Rights will have already commenced as of the date hereof. Accordingly, the acquisition by Tender Offeror of the Share Acquisition Rights will prevent potential dilution of Target shares held by Tender Offeror. In addition, in connection with the Share Acquisition Rights, the exercise prices per share of common stock of Target (440 yen for Series 8 Share Acquisition Rights and 516 yen for Series 9 Share Acquisition Rights) are lower than the Offer Price of 1,500 yen as of the date hereof. Taking these circumstances into account, the offer price per Series 8 Share Acquisition Right is set at 1,060 yen, which is equal to the amount obtained by multiplying (a) the difference between the exercise price per share of common stock of Target underlying Series 8 Share Acquisition Rights and the Offer Price, by (b) one, which is the number of shares of common stock of Target underlying one Series 8 Share Acquisition Right, and the offer price per Series 9 Share Acquisition Right is set at 984 yen, which is equal to an amount obtained by multiplying (c) the difference between the exercise price per share of common stock of Target underlying Series 9 Share Acquisition Rights and the Offer Price, by (d) one, which is the number of shares of common stock of Target underlying one Series 9 Share Acquisition Right.

(iii) Target Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser

According to Target, in order to ensure the fairness of the decision-making process in evaluating the Offer Price proposed by Tender Offeror, the board of directors of Target appointed as its financial advisor Deutsche Securities, which is a third party appraiser independent of Tender Offeror and Target and is not a related party, and requested evaluation of Target shares, and as of the date hereof, obtained a valuation report regarding the value of the shares of common stock of Target (“Target Valuation Report”) subject to certain assumptions and exemptions. The board of directors of Target also obtained, as of the date hereof, an opinion (“Fairness Opinion”) to the effect that the Offer Price is appropriate for Target shareholders from a financial point of view under certain assumptions. Deutsche Securities indicates that it provides the Fairness Opinion, under the indicated assumptions and other certain conditions, to the board of directors of Target to be used as reference materials for the evaluation of the Offer Price conducted by the board of directors of Target. It is reported that the Fairness Opinion obtained from Deutsche Securities is not to recommend Target shareholders to take any actions with respect to the Tender Offer. Please refer to the indication under (Note 1) for the assumptions or the like that are applied to the Fairness Opinion.

According to the Target Valuation Report, the results of the valuation by Deutsche Securities of the Target shares are as follows:

Deutsche Securities indicated that it calculated the value of the Target shares under certain assumptions

taking into account the information based on the materials and explanations relating to the current state of its business and future business plans and other matters obtained from the Target Project Team. In the Target Valuation Report, the value of the Target shares was calculated by using the market price method and discounted cash flow method (“DCF method”), and a comparable public company method as a method to supplement them on the assumption that Target is a going concern. The market price method is a method of evaluating stock value based on the market price of shares of common stock of Target, used by Deutsche Securities because it considered that method to be an objective method in evaluating the stock value of listed companies. Under the market price method, the value per share of common stock of Target was calculated to range from 1,089 yen to 1,128 yen based on the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange for the period of one month (1,095 yen), three months (1,089 yen) and six months (1,128 yen) up to December, 1, 2010, which is the valuation reference date. Deutsche Securities indicated that it used the DCF method because Deutsche Securities considers that method suitable for the valuation of a going concern, as it is a method based on the company’s future cash flows (profitability). Under the DCF method, the value per share of common stock of Target was calculated to range from 1,183 yen to 1,829 yen by analyzing enterprise value or stock value by discounting at a certain rate the future cash flows calculated based on Target’s business plans (Note 2), to arrive at the present value. Deutsche Securities indicated that it used the comparable public company method because it considers that method, as a supplement to the market price method, capable of reflecting the objectivity of the stock market in the valuation, as it uses stock prices and financial data of other companies in the same industry. Under the comparable public company method, the value per share of common stock of Target was calculated to range from 765 yen to 1,364 yen, following the analysis of various financial indexes of similar listed companies.

Target reportedly did not obtain an opinion from Deutsche Securities as to the adequacy of calculation of value or purchase price of the Share Acquisition Rights.

(Note 1) In stating the Target Valuation Report and Fairness Opinion (“Opinion etc.”), Deutsche Securities is not responsible for independently verifying the accuracy and integrity of any information regarding Target including financial information or financial forecasts that were considered (regardless of whether the information is open and available to the public or was provided by Target); and Deutsche Securities has not conducted the verification independently. Therefore, in stating the Opinion etc., Deutsche Securities assumes that all information is accurate and integral and depends on that accuracy and integrity. Also, Deutsche Securities has not conducted a physical examination of any asset and liability of Target, and has not conducted an independent evaluation or assessment of any asset or liability of Target. In addition, regarding financial forecasts that were provided by Target to Deutsche Securities and used for analyses by Deutsche Securities, including the analyses and forecasts of financial effects on Target exerted by the Transactions, Deutsche Securities assumes that those financial forecasts were prepared based on reasonable grounds and reflect forecasts available to Target and Target’s decisions. In stating the Opinion etc., Deutsche Securities has not expressed any opinion concerning the reasonableness of such analyses or forecasts, or their underlying assumptions. Deutsche Securities’ Opinion etc. is based on the economy, markets and other conditions effective as of the date hereof, and information that Deutsche Securities has obtained by the same date. The Opinion etc. might be affected due to events or situations following the expression of the Opinion etc. or the analyses; however, Deutsche Securities is not obligated to revise, change, or re-confirm the Opinion etc.

Regarding the statement of the Opinion etc., Deutsche Securities assumes that Target performs all matters to be complied with and all agreements that should be performed in the procedures of the Transactions, and that all conditions and obligations for the completion of the Transactions imposed on Target are satisfied without being released. Also, Deutsche Securities assumes that any material approval, permission, and authorization of the governments, regulatory authorities, and others

(“Authorities”) that are required in connection with the completion of the Transactions have been obtained; and that no changes, revisions, or waiver of any required approval, permission and authorization, or order of the Authorities, or of contracts to which Target is a party, (i) exerts any material adverse effect on Target, (ii) imposes any limitations, restriction, or condition that would reduce the benefit of the Transactions for Target to a material degree, or (iii) causes any significant changes to, revisions or waiver of, the expected benefit from the Transactions.

Deutsche Securities is not an expert on such matters as legal matters, tax matters, and regulations by Authorities; therefore, regarding these matters, Target needs to depend on advice from advisors who are experts on each matter.

The Opinion etc. only expresses an opinion to Target on whether or not the Offer Price is fair for the shareholders of the Target shares of common stock from a financial point of view; therefore, the Opinion etc. is not to recommend to the Target shareholders to tender their shares in the Tender Offer. Also, Deutsche Securities does not state any opinion to Tender Offeror, Target, and the Target shareholders as to whether the Transactions should be implemented.

Moreover, Deutsche Securities is not authorized to encourage investments in securities and other financial instruments issued by Target, and does not encourage those investments.

Deutsche Securities does not state any opinion regarding the stock price of Target following the announcement or completion of the Transactions.

Regarding the Transactions, Deutsche Securities is the Target’s financial adviser and receives charges as consideration for those services. A part of the charges is conditioned upon the completion of the Tender Offer. Deutsche Securities is a related company of Deutsche Bank AG (collectively with its related companies, “DB Group”). It is possible that one or more members of the DB Group (i) provides or will provide, now or in the future, Target and Tender Offeror, or their affiliated companies with investment banking services, commercial banking services (including granting of credit), and other financial services, and (ii) receives or will receive consideration for these services. It is possible that a member of the DB Group positively transacts Target’s securities such as shares and bond certificates for its own account or for customers’ account in the ordinary course of business. The DB Group may have long positions or short positions regarding those securities from time to time.

(Note 2) In the business plans that were used as the basis for the calculation of stock value under the DCF method, any sharp increase or decrease in profits is not expected. It is reported that the specially interested parties in the board of directors of Target, i.e., Mr. Takazoe, representative director and president of Target, and Mr. Matsuyoshi, the managing director of Target, had never substantially participated in preparing the business plans.

(iv) Advice from Independent Law Firm

According to Target, the board of directors of Target appointed TMI, which is a legal advisor independent of Target and Tender Offeror in order to ensure transparency and reasonableness when making decisions on the Tender Offer and other Transactions, and obtained from TMI legal advice about issues to heed for the decision-making process regarding the Tender Offer and other Transactions, decision-making method, and other decision-making regarding the Tender Offer and other Transactions.

(v) Deliberation by Third-party Committee

According to Target, on October 4, 2010, the board of directors of Target established a third-party committee consisting of two external corporate auditors that is independent of Tender Offeror and the board of directors of Target: Mr. Shigeo Iino (representative director of Yugen Kaisha Value Plus) and Mr. Kazuharu Tomioka (representative director of Disclosure, Inc.); and one external expert, Mr. Takehiro Nakagawa (attorney-at-law, Nakagawa & Kumagai), to fairly conduct board of directors’ meetings of

Target and eliminate arbitrariness from the board's decision-making process with respect to the Tender Offer and other Transactions. The board of directors requested the third-party committee to submit a response and opinion to the Target Project Team in connection with the following consultation issues: (a) rightfulness of the purposes of the Tender Offer and other Transactions; (b) fairness of the procedures taken during negotiation on the Tender Offer and other Transactions; and (c) adequacy of the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions.

The third-party committee meetings were held four times in total between October 4, 2010, and December 1 of the same year, and the committee discussed and considered the consultation issues above. Specifically, the committee obtained explanations from the Target Project Team and Deutsche Securities, who is a financial advisor to Target, and TMI, who is a legal advisor to Target, about (a) the contents of the proposal made by Tender Offeror, (b) the independence of Deutsche Securities and TMI from Tender Offeror and Target, and (c) the purposes of the Tender Offer and the series of procedures planned after the Tender Offer as indicated under “(6) Plans for Restructuring Following the Tender Offer (Matters regarding So-Called Two-Tier Acquisition)” below, and specific details of Target's enterprise value expected to be enhanced as a result thereof, and made inquiries regarding those matters. The committee also directly interviewed Mr. Takazoe and Mr. Matsuyoshi, who agreed with Tender Offeror to continue to participate in the management of Target after the Tender Offer as indicated under “(4) Agreements Concerning the Tender Offer” above about the meaning, purposes, and other matters concerning the Tender Offer and other Transactions. Furthermore, the committee referred to the Target Valuation Report and the Fairness Opinion concerning the Offer Price prepared by Deutsche Securities, and its advice, and was given explanations by Deutsche Securities for the valuation of the shares of common stock of Target in accordance with the Target Valuation Report. Moreover, when necessary, the committee was given advice by TMI regarding fairness of the procedures concerning the Tender Offer and other Transactions.

In the above-mentioned situation, based on the considered results, the third-party committee carefully discussed and considered the consultation issues, and on December 1, 2010, submitted to the Target Project Team a response and opinion to the effect that (a) it is regarded that the Tender Offer and other Transactions are implemented for the purpose of the enhancement of enterprise value of Target and therefore the purposes of the Transactions are rightful; (b) the procedures taken during negotiation on the Tender Offer and other Transactions are regarded as fair; and (c) the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions is adequate.

(vi) Approval of All Uninterested Directors and Corporate Auditors

According to Target, the board of directors of Target based on the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party committee; other related materials and the resolution of the board of directors of Target which was proposed by the Target Project Team as indicated under “(i) Deliberation, Discussion and Negotiation, etc. by the Project Team” above, carefully discussed and considered various conditions for the Tender Offer and other Transactions. Consequently, the board of directors of Target determined that as proposed by the Tender Offeror, to implement managerial measures aiming for medium- to long-term enhancement of the enterprise value while avoiding doing so at the risk of general shareholders leads to achieving medium to long-term growth and continued enhancement of the enterprise value, and thus should be regarded as the best option for Target; and that the Offer Price, the purchase price, etc. per Share Acquisition Right, and other conditions concerning the Tender Offer are adequate for Target shareholders and holders of the Share Acquisition Rights according to the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion

submitted by the third-party committee; other related materials; and that therefore the Tender Offer is to provide shareholders and holders of the Share Acquisition Rights of Target with a reasonable opportunity to sell their shares and Share Acquisition Rights. Therefore, at the board of directors' meeting of Target held on the date hereof, the directors except for Mr. Takazoe, the representative director and president of Target and Mr. Matsuyoshi, the managing director of Target, unanimously passed a resolution to express an opinion in favor of the Tender Offer and to recommend to Target shareholders and holders of the Share Acquisition Rights to accept the Tender Offer.

Mr. Takazoe and Mr. Matsuyoshi, representative director and president and managing director of Target, respectively, have agreed with Tender Offeror with respect to the Tender Offer to continue to participate in the management of Target after they tender all the shares of common stock and the Series 9 Share Acquisition Rights of Target held by them in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired), as described in "(4) Agreements Concerning the Tender Offer" above; and in light of the structural conflict of interest with Target, Mr. Takazoe and Mr. Matsuyoshi, as specially interested parties, did not participate in the deliberation or voting at the meetings of the board of directors, and were not involved in the discussions and negotiations with Tender Offeror on Target's behalf.

Further, at the meeting of the board of directors of Target, all corporate auditors participated in the deliberation; and all corporate auditors who participated in the deliberation stated that they had no objection to the board of directors of Target expressing an opinion in favor of the Tender Offer and recommending that the Target shareholders and holders of the Share Acquisition Rights accept the Tender Offer.

(vii) Relatively Long Tender Offer Period

Tender Offeror set a period of 31 Business Days for the Tender Offer Period, whereas the minimum number of days required under laws and regulations is 20 Business Days. By setting a relatively long Tender Offer Period, Tender Offeror ensures that Target's shareholders and holders of the Share Acquisition Rights will have a reasonable opportunity to decide whether to tender in the Tender Offer, and that persons other than Tender Offeror will have the opportunity to make an offer for the Share Certificates etc. of Target, thereby ensuring the adequacy of the Offer Price and the purchase price, etc. per Share Acquisition Right.

In addition, Tower made a proposal to Target for the Tender Offer and other Transactions based on the conclusion indicated in "(2) Background and Purposes of the Tender Offer and Decision-Making Process Resulting in the Tender Offer" above in around the latter part of August 2010; and Target reportedly gave serious consideration to the proposal and other proposals which Target had received by then from several candidates other than Tower. Consequently, Target decided to proceed with discussions with Tower and gave its consent to a letter of intent dated September 3, 2010, which was submitted by Tower to Target, to the effect that Tower desires to be immediately notified if, on or prior to December 31, 2010, any discussion, negotiation, solicitation or provision of information is to take place with a view to entering into a contract or agreement which conflicts with the Tender Offer and other Transactions or otherwise makes the implementation of the Tender Offer and other Transactions difficult, or Target is to enter into the contract or agreement with a third party other than Tower, and desires to be given a chance to consider the possibility of executing the Tender Offer and other Transactions on condition that discussions between Tower and Target will be continued for at least two weeks following the day on which Tower receives the notice. However, none of Tender Offeror, Tower or any of their related persons has entered into any agreement with Target which restricts contact between a competing takeover bidder and Target, including an agreement containing a deal protection clause which prohibits Target from contacting a competing takeover bidder. This, together with the relatively long Tender Offer Period as described above, is out of consideration for ensuring the fairness of the Tender Offer by assuring an opportunity to make competing bids or other similar actions.

(viii) Minimum Number of Share Certificates etc. Contemplated to be Purchased

The minimum Number of Shares, etc. Contemplated to be Purchased in the Tender Offer is 8,834,675. If the sum of the aggregate number of Target shares of common stock and the aggregate number of Target shares of common stock underlying the Share Acquisition Rights tendered in the Tender Offer is below the minimum Number of Shares, etc. Contemplated to be Purchased, no Tendered Share Certificates etc. will be purchased. The minimum Number of Shares, etc. Contemplated to be Purchased is obtained as follows. (A) The sum of (i) the total number of issued shares of Target as of September 30, 2010, indicated in the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) and (ii) the aggregate number of shares of common stock underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000 shares) (12,163,153 shares), minus (B) the number of Target's treasury shares as of September 30, 2010, indicated in the quarterly report (383,586 shares) (11,779,567 shares), (C) multiplied by 0.75 (8,834,676 shares (fractions rounded up to the nearest whole number)), and (D) minus the number of shares of common stock of Target owned by Tender Offeror (one share). This number exceeds the number of shares (8,439,679 shares) obtained by adding the Number of Shares Owned by Shareholders Who Agreed to Tendering (1,759,906 shares) to the number of shares equivalent to two-thirds (6,679,773 shares) of the number of shares (10,019,660 shares) obtained by deducting the Number of Shares Owned by Shareholders Who Agreed to Tendering (1,759,906 shares), from the Number of Shares, etc. Contemplated to be Purchased. Thus, with respect to the Target shares and the Share Acquisition Rights other than those agreed to be tendered in the Tender Offer, if a large number of shareholders or holders of the Share Acquisition Rights do not tender their shares or Share Acquisition Rights in the Tender Offer, the Tender Offer will not be conducted; and the intention of the Target shareholders and holders of the Share Acquisition Rights will be respected.

(6) Plans for Restructuring Following the Tender Offer (Matters regarding So-Called Two-Tier Acquisition)

If all of the issued shares of Target (excluding treasury shares) and the Share Acquisition Rights are not acquired by the Tender Offer, Tender Offeror contemplates taking a series of steps as follows so that Tender Offeror will own all issued shares of Target (excluding treasury shares) while allowing an opportunity for Target's shareholders other than Tender Offeror (excluding Target) to sell the Target shares.

More specifically, promptly after the successful completion of the Tender Offer, Tender Offeror will request that Target convene an extraordinary general meeting of shareholders ("Extraordinary General Meeting of Shareholders") to submit proposals for (i) a partial amendment to the articles of incorporation of Target to authorize Target to issue class shares other than shares of common stock, (ii) a partial amendment to the articles of incorporation of Target to make all shares of common stock issued by Target subject to class-wide call (*zenbu shutoku joko*; this refers to the terms set forth in Article 108, paragraph 1, item 7 of the Companies Act; here and hereinafter the same), and (iii) delivery of Target shares in a different class in exchange for acquisition of all Target shares subject to class-wide call (excluding treasury shares).

If the partial amendment to the articles of incorporation referred to in (i) above comes into effect upon approval of (i) above at the Extraordinary General Meeting of Shareholders, Target will be a company issuing class shares (*shurui kabushiki hakko kaisha*) as defined in the Companies Act. In order for the partial amendment to the articles of incorporation referred to in (ii) above to take effect, a resolution is required to be adopted at a general meeting of class shareholders consisting of shareholders who own Target's shares of common stock which will become subject to class-wide call ("General Meeting of Class Shareholders") in accordance with Article 111, paragraph 2, item 1 of the Companies Act, in addition to a resolution at the Extraordinary General Meeting of Shareholders approving (ii) above; accordingly, Tender Offeror will request that Target convene the General Meeting of Class Shareholders on the same date as the Extraordinary General Meeting of Shareholders.

If the Tender Offer is successfully completed and the proposals referred to above are submitted to the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders, Tender Offeror plans to vote in favor of the proposals at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders.

If the steps referred to above are taken, all shares of common stock issued by Target will become subject to class-wide call and all those shares (excluding treasury shares) will be acquired by Target, and Target shares of a different class will be issued to Target's shareholders (excluding Target) in consideration for the acquisition. If the number of class shares of Target to be delivered to any shareholder of Target is a fraction less than one, the shareholder will receive money earned from the sale or other disposal of the class shares of Target in the number equal to the sum of the fractions (if the sum results in a fraction, that sum will be rounded down) in accordance with Article 234 of the Companies Act and other relevant laws and regulations. The sales price of the class shares of Target in the number equivalent to the sum of the fractions will be determined so that the amount payable to shareholders as a result of the sale will be equal to the amount obtained by multiplying the Offer Price by the number of shares of common stock of Target held by the shareholders. The class and number of shares of Target to be delivered in exchange for the acquisition of shares of common stock of Target subject to class-wide call have not been determined as of the date hereof; however, Tender Offeror plans to request Target to determine the class and number so that the number of Target shares to be delivered to Target's shareholders other than Tender Offeror who have not tendered their shares in the Tender Offer will be a number less than one in order for Tender Offeror to own all shares issued by Target (excluding treasury shares).

In order to protect the rights of minority shareholders in connection with the steps set forth in (ii) and (iii) above, the Companies Act provides as follows: (A) in connection with the amendment to the articles of incorporation to make the shares of common stock subject to class-wide call as described in (ii) above, a shareholder may require that his or her shares be purchased in accordance with the provisions of Articles 116 and 117 of the Companies Act and other relevant laws and regulations; and (B) if a resolution is adopted to approve the acquisition of all the shares subject to class-wide call at the Extraordinary General Meeting of Shareholders as described in (iii) above, a shareholder may file a petition with a court to determine the acquisition price of those shares in accordance with the provisions of Article 172 of the Companies Act and other relevant laws and regulations. The purchase price and the acquisition price per share payable in these cases will be ultimately determined by a court.

The scheme described above regarding making all shares of common stock issued by Target subject to class-wide call and delivering Target shares of a different class in exchange for acquisition of all those shares may be replaced by another scheme which enables achievement of similar effects, depending on the authoritative interpretation of the relevant laws and regulations, as well as the status of holding of Tender Offeror's shares and the status of holding of Target's shares by Target's shareholders other than Tender Offeror after the Tender Offer. However, even in that case, Tender Offeror plans to request Target to adopt a scheme in which money will ultimately be paid to Target's shareholders other than Tender Offeror who have not tendered their shares in the Tender Offer; and it is planned that the amount of money to be paid to the Target's shareholders is to be calculated the same as the price obtained by multiplying the Offer Price by the number of shares of common stock of Target that the shareholder held.

The Tender Offeror plans, in principle, to complete the procedures taken described above to make Target a wholly-owned subsidiary of Tender Offeror by around May 31, 2011.

If, after the steps described above have been taken, Tender Offeror has confirmed that there is no hindrance from the perspective of business operations and management of Target (including but not limited to Tender Offeror having obtained any necessary approval and permits), it is possible that a restructuring transaction such as a merger will take place between Tender Offeror and Target.

Please note that the Tender Offer is not intended to solicit approval of Target's shareholders at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders.

(7) Prospect of Delisting and Grounds Therefor

While shares of common stock of Target are listed on Tokyo Stock Exchange as of the date hereof, shares of common stock of Target may be delisted upon following certain procedures, if any of the criteria for delisting of share certificates set by Tokyo Stock Exchange (“Delisting Criteria”) is met as a result of the Tender Offer, since Tender Offeror has not set any upper limit on the number of Share Certificates etc. to be purchased by the Tender Offer.

Further, even if none of the Delisting Criteria is met at the time of successful completion of the Tender Offer, since Tender Offeror contemplates acquiring all shares issued by Target and making Target its wholly-owned subsidiary in accordance with applicable laws and regulations, as described in “(6) Plans for Restructuring Following the Tender Offer (Matters regarding So-Called Two-Tier Acquisition),” the shares of common stock of Target will be delisted in that case. After the delisting of shares of common stock of Target, it will become impossible to trade shares of common stock of Target on the Tokyo Stock Exchange.

2. Summary of Purchase, etc.

(1) Overview of Target

(1) Overview of Target		
(i) Name	INVOICE INC.	
(ii) Location	1-23, Shiba 4-chome, Minato-ku, Tokyo	
(iii) Title and Name of Representative	Toshiyuki Takazoe, President and Representative Director	
(iv) Type of Business	corporate communications integration service business, residential communications integration service business, and other businesses	
(v) Stated Capital	6,046 million yen (as of September 30, 2010)	
(vi) Date of Incorporation	December 4, 1992	
(vii) Major Shareholders and Shareholding Ratio (as of September 30, 2010)	Ikuo Kimura	9.09%
	SBBM Corporation	3.86%
	Yugen Kaisha Kimura Ikuo	2.82%
	Toshiyuki Takazoe	1.23%
	State Street Bank and Trust Company 505041	0.86%
	(Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	
	ALMINE Co., LTD.	0.85%
	Shunji Matsuyoshi	0.84%
	Japan Trustee Services Bank, Ltd. (Trust Account 3)	0.66%
	Japan Trustee Services Bank, Ltd. (Trust Account 6)	0.66%
Japan Trustee Services Bank, Ltd. (Trust Account)	0.65%	
(viii) Relationship between Tender Offeror and Target, etc.	Capital Relationship	Tender Offeror holds one share of Target common stock (Holding ratio of Share Certificates etc.: approximately 0.00%) as of the date hereof.
	Personnel Relationship	Not applicable.
	Business Relationship	Not applicable.
	Status of Applicability to the Related Parties	Not applicable.

(2) Period of Purchase, etc.

(i) Schedule

Resolution at a Meeting of the Board of Directors	December 2, 2010 (Thursday)
Date of Public Notice for the Commencement of Tender Offer	December 3, 2010 (Friday) Public notices will be made electronically, and the

	notices to that effect will be set forth in the Nikkei Shimbun. (Address for electronic public notices: http://info.edinet-fsa.go.jp/)
Submission Date of Notification of Tender Offer	December 3, 2010 (Friday)

- (ii) Initial Period of Purchase, etc. at the Time of Filing
From December 3, 2010 (Friday) to January 24, 2011 (Monday) (31 Business Days)
- (iii) Possibility of Extending Period of Purchase, etc. upon Request of Target
Not applicable.
- (3) Purchase Price, etc.
 - (i) Shares of Common Stock 1,500 yen per share
 - (ii) Share Acquisition Rights
 - (a) The share acquisition rights issued based on the resolution at the general meeting of shareholders of Target held on June 25, 2008, and the resolution at the meeting of the board of directors of Target held on March 18, 2009 (“Series 8 Share Acquisition Rights”): 1,060 yen per share acquisition right
 - (b) The share acquisition rights issued based on the resolution at the general meeting of shareholders of Target held on June 25, 2008, and the resolution at the meeting of the board of directors of Target held on April 11, 2009 (“Series 9 Share Acquisition Rights”; collectively with Series 8 Share Acquisition Rights, “Share Acquisition Rights”): 984 yen per share acquisition right
- (Note) The dates of the resolution at the general meeting of shareholders of Target and the resolutions of the board of directors of Target are based on the Securities Report of Target for the term ending March 2008 (16th Fiscal Year) (filed on June 27, 2008) and the Securities Report of Target for the term ending March 2010 (18th Fiscal Year) (filed on June 24, 2010).

- (4) Calculation Basis, etc. for Purchase Price, etc.
 - I. Basis Calculation

In order to determine the Offer Price and the purchase price, etc. per Share Acquisition Right, Tender Offeror analyzed the financial condition and business of Target from a multilateral and comprehensive perspective based on the information regarding the financial and business condition of Target furnished by Target upon request of Tender Offeror. Given that the Target shares of common stock are generally traded on a financial instruments exchange, as a result of considering whether or not Target supports the Tender Offer and whether the Tender Offer is likely to succeed, Tender Offeror set the Offer Price at 1,500 yen after a number of discussions and negotiations held with the Target Project Team, by considering the stock price performance during the past six months and examples of actual premiums paid in determining offer prices in past tender offers that were similar to the Tender Offer. Tender Offeror did not obtain a valuation from a third party appraiser in determining the Offer Price and the purchase price, etc. per Share Acquisition Right.

The Offer Price of 1,500 yen is equivalent to the closing price of the shares of common stock of Target (1,261 yen) on the Tokyo Stock Exchange as of December 1, 2010, the Business Day immediately preceding the date hereof, which is the date of announcement of the Tender Offer, with a premium of 19.0 % (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during the one month ending on that date (from November 2, 2010 to December 1, 2010) (1,095 yen) with a premium of 37.0% (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo

Stock Exchange during the three months ending on that date (from September 2, 2010 to December 1, 2010) (1,089 yen) with a premium of 37.7 % (rounded up to one decimal place), or the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during six months ending on that date (from June 2, 2010 to December 1, 2010) (1,128 yen) with a premium of 33.0% (rounded up to one decimal place).

The Share Acquisition Rights included in the subject of the Tender Offer are the share acquisition rights that were issued as stock options to Target employees, with respect to Series 8 Share Acquisition Rights, and to directors and corporate auditors of Target, with respect to Series 9 Share Acquisition Rights. According to the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010), as a condition to the exercise of the Share Acquisition Rights, the holder is required, with respect to Series 8 Share Acquisition Rights, to be an employee of Target, and with respect to Series 9 Share Acquisition Rights, to be a director or corporate auditor of Target; therefore, Tender Offeror will not be able to exercise the Share Acquisition Rights even if it purchases the Share Acquisition Rights in the Tender Offer. However, while Tender Offeror contemplates acquisition of all the shares, etc. issued by Target by means of a management buyout and making Target its wholly-owned subsidiary, the exercise period of Series 8 Share Acquisition Rights will not commence before the last day of the Tender Offer Period, but instead will commence on March 21, 2011, a day which is near to the last day of the Tender Offer Period; and the exercise period of Series 9 Share Acquisition Rights will have already commenced as of the date hereof. Accordingly, the acquisition by Tender Offeror of the Share Acquisition Rights will prevent potential dilution of Target shares held by Tender Offeror. In addition, in connection with the Share Acquisition Rights, the exercise prices per share of common stock of Target (440 yen for Series 8 Share Acquisition Rights and 516 yen for Series 9 Share Acquisition Rights) are lower than the Offer Price of 1,500 yen as of the date hereof. Taking these circumstances into account, the offer price per Series 8 Share Acquisition Right is set at 1,060 yen, which is equal to the amount obtained by multiplying (a) the difference between the exercise price per share of common stock of Target underlying Series 8 Share Acquisition Rights and the Offer Price, by (b) one, which is the number of shares of common stock of Target underlying one Series 8 Share Acquisition Right, and the offer price per Series 9 Share Acquisition Right is set at 984 yen, which is equal to an amount obtained by multiplying (c) the difference between the exercise price per share of common stock of Target underlying Series 9 Share Acquisition Rights and the Offer Price, by (d) one, which is the number of shares of common stock of Target underlying one Series 9 Share Acquisition Right.

II. Background to Calculation

(Background Leading to the Decision of Purchase Price)

Judging from today's economic climate and the recent state of the telecommunications industry, there is a pressing need for Target to further strengthen the management foundation by not only further promoting Company's efforts in the future but also establishing a new business model that can respond to rapid changes in the environment and enhance Target's enterprise value in the medium- to long-term.

On the other hand, even after various measures to strengthen its financial foundation, Target is in a state where it is not necessarily easy to promptly implement various management policies, including (a) establishment of new business models aiming to respond to rapid changes in the management environment and (b) consideration of mergers and acquisitions toward the establishment of those business models. This is because there have been no major changes in the valuation of Target in the market, some of the past mergers and acquisitions are exerting a significant effect on business performance, and Target has a myriad of more than 60,000 shareholders due to past capital policies.

Thus, Tender Offeror is of the opinion that in Target, establishing a foothold for a medium- to long-term enhancement of its enterprise value by means of the following is a pressing issue: while continuously expanding the customer bases in the existing services and expanding the business scale of services for the consolidated billing of communication charges, which is Target's core business, searching for new sources of

profits other than existing services including conducting in-house development of new businesses and expanding lines of services for enterprises; positively considering a merger and acquisition or the like with a peer company again, which Target used to carry out actively but was hesitant about over these past few years; and conducting the reallocation of management resources and restructuring of organization systems that make it possible to make business decisions on the foregoing in a more efficient and prompt manner.

On the other hand, Tender Offeror believes that because the implementation of these managerial measures toward a medium- to long-term enhancement of the enterprise value requires certain cost and time before its effect materializes, such implementation is not always positively evaluated in the capital markets which tend to focus on short-term expansion of business performance and might cause Target shareholders to suffer a negative impact in the short-term, and that in order to accept these business risks, such as short-term deterioration in business performance, and achieve a medium- to long-term enhancement of the enterprise value, it is necessary for the management and employees of Target to make united efforts under the unified management policy by cooperating with a third party who has abundant experience in management assistance without being influenced by short-term changes in business performance.

Under these circumstances, Tender Offeror has through numerous discussions starting from around the early part of January 2010 with Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of Target, respectively, reached the conclusion in around the latter part of August 2010 that, to enable Target to grow in the medium- to long-term and to accomplish continued enhancement of the enterprise value while avoiding implementing managerial measures toward a medium- to long-term enhancement of the enterprise value at the risk of general shareholders, the most effective means would be the management and employees of Target making united efforts toward the above-mentioned managerial measures under Mr. Takazoe's and Mr. Matsuyoshi's leadership, who are Target's representative director and president and managing director, respectively, by cooperating with a third party who has abundant experience in management assistance after Target shares of common stock are delisted by management buyout, Target shareholders are limited to a small number of people who can accept the above-mentioned risks, and after preparations are made to stick to the unified management policy without being influenced by short-term changes in business performance.

Since Target had received from Tower a proposal for the Tender Offer and other Transactions based on the above conclusion in around the latter part of August 2010, Target reportedly gave serious consideration to the proposal and other proposals which it had received by then from several candidates other than Tower. As a result, Target reportedly decided to proceed with discussions with Tower on the Tender Offer and other Transactions under the conditions described in “(vii) Relatively Long Tender Offer Period” below.

Because the Tender Offer and other Transactions are to be implemented as part of a management buyout and there is an issue of a structural conflict of interest because of their characteristics, Target has, for the purposes of (a) holding meetings of the board of directors of Target relating to the Tender Offer and other Transactions in a fair manner, (b) eliminating to the extent possible any arbitrariness in the decision-making process of the meetings, and (c) discussing, deliberating on, and negotiating for, the Tender Offer and other Transactions from the perspective of the Target's enterprise value, and thus the common interests of Target shareholders, done the following: (i) decided to establish the Target Project Team which consists of Mr. Masatsugu Matsuzaki, director of Target, and Mr. Tetsuo Saito, external director of Target and falling under the category of an Independent Director/Auditor, who are not in situations such as having agreed with the Tender Offeror (a) to tender the shares of common stock of Target and the Share Acquisition Rights held by them in the Tender Offer (with respect to Series 9 Share Acquisition Rights, to either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired), (b) to continue to participate in the management of Target after the Tender Offer, (c) to contribute to Tender Offeror or acquire a certain number of shares of Tender Offeror after the completion of the Transactions, or (d) to receive special merits or benefits upon proceeding with the Transactions, and therefore have no special interests in the Tender Offer and other Transactions, and which has the head of the Corporate Strategy Division of Target as its organizer; and (ii) had numerous discussions

and deliberations in the Target Project Team on the Tender Offer and other Transactions from the above-mentioned perspective and held discussions and negotiations with Tender Offeror in connection with the Tender Offer and other Transactions on a number of occasions. While Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror with respect to the Tender Offer and other Transactions to continue to participate in the management of Target after they tender all the shares of common stock and Series 9 Share Acquisition Rights of Target that they hold in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired), neither Mr. Takazoe nor Mr. Matsuyoshi has reportedly been appointed as a member of the Target Project Team nor have either of them reportedly participated in the above-mentioned discussions, deliberations and negotiations by the Target Project Team and decision-making concerning the Tender Offer in the meetings of the board of directors of Target.

Further, the board of directors of Target carefully discussed and deliberated on the conditions concerning the Tender Offer and other Transactions in light of the following: contents of a resolution of the board of directors of Target, which were proposed by the Target Project Team based on the results of the discussions, deliberations, and negotiations; the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities, Target's financial advisor; the legal advice obtained from TMI, Target's legal advisor; the response and opinion submitted by the third-party committee consisting of two external corporate auditors and one external expert all of whom are independent from Tender Offeror and Target; and other related materials, as a result of which the board of directors of Target having decided that implementing managerial measures toward a medium- to long-term enhancement of the enterprise value proposed by Tender Offeror while avoiding doing so at the risk of the general shareholders leads to achieving Target's medium- to long-term growth and continued enhancement of enterprise value, and is the best option for Target; and that the Offer Price, the purchase price, etc. per Share Acquisition Right, and other conditions concerning the Tender Offer are adequate for Target shareholders and holders of the Share Acquisition Rights according to the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party committee; other related materials; and that therefore the Tender Offer is to provide Target shareholders and holders of the Share Acquisition Rights with a reasonable opportunity to sell their shares and Share Acquisition Rights, reportedly passed a resolution to express an opinion in favor of the Tender Offer and to recommend to Target shareholders and holders of the Share Acquisition Rights to accept the Tender Offer at the meeting of the board of directors of Target held on the date hereof by the unanimous approval of two directors excluding Mr. Takazoe and Mr. Matsuyoshi, the representative director and president and managing director of Target, respectively. Mr. Takazoe and Mr. Matsuyoshi, representative director and president and managing director of Target, respectively, reportedly did not participate in the deliberation and resolution at the meeting of the board of directors as specially interested parties.

Further, at the meeting of the board of directors of Target, all corporate auditors participated in the deliberation; and all corporate auditors who participated in the deliberation stated that they had no objection to the board of directors of Target expressing an opinion in favor of the Tender Offer and recommending that the Target shareholders and holders of the Share Acquisition Rights accept the Tender Offer.

(Measures to Ensure Fairness of the Offer Price)

Since the Tender Offer is to be implemented as part of a management buyout and there is an issue of structural conflict of interest, Target and Tender Offeror have implemented the following measures to ensure the fairness of the Offer Price and the purchase price, etc. per Share Acquisition Right and to eliminate arbitrariness and avoid conflicts of interest in the decision-making process in which the implementation of the Tender Offer was decided.

(i) Deliberation, Discussion and Negotiation, etc. by the Project Team

According to Target, because the Tender Offer and other Transactions are to be implemented as part of a

management buyout and there is an issue of structural conflict of interest because of their characteristics, Target has, after receiving the proposal from Tender Offeror for the Tender Offer and other Transactions, for the purposes of (a) holding meetings of the board of directors of Target relating to the Tender Offer and other Transactions in a fair manner, (b) eliminating to the extent possible any arbitrariness in the decision-making process of the meetings, and (c) discussing, deliberating on, and negotiating for, the Tender Offer and other Transactions from the perspective of the Target's enterprise value, and thus the common interests of Target shareholders, done the following: (i) decided to establish the Target Project Team concerning the Transactions consisting of Mr. Masatsugu Matsuzaki, director of Target, Mr. Tetsuo Saito, external director of Target and falling under the category of an Independent Director/Auditor, and other members, who are not in situations such as having agreed with the Tender Offeror (a) to tender the shares of common stock of Target and the Share Acquisition Rights held by them in the Tender Offer (with respect to Series 9 Share Acquisition Rights, to either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired), (b) to continue to participate in the management of Target after the Tender Offer, (c) to contribute to Tender Offeror or acquire a certain number of shares of Tender Offeror after the completion of the Transactions, or (d) to receive special merits or benefits upon proceeding with the Transactions, and therefore have no special interests in the Tender Offer and other Transactions; and (ii) held discussions and deliberations on the Tender Offer and other Transactions from the above-mentioned perspective in the Target Project Team. Tender Offeror has held discussions and negotiations with the Target Project Team in connection with the Tender Offer and other Transactions on a number of occasions.

In concrete, the Target Project Team has (i) held numerous discussions and deliberations on the Tender Offer and other Transactions starting from the latter part of August 2010, and (ii) while obtaining advice, opinions, and the like from advisers independent from Tender Offeror and Target as described in "(iii) Target Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser," and "(iv) Advice from Independent Law Firm" below, held prudent discussions and deliberations with respect to the adequacy of the offered terms of the Tender Offer (including the Offer Price and the purchase price, etc. per Share Acquisition Right) and the fairness of the procedures relating to the Tender Offer and other Transactions from the perspective of the Target's enterprise value, and thus the common interests of Target shareholders, and held discussions and negotiations with Tender Offeror in connection with the Tender Offer and other Transactions on a number of occasions. Also, as described in "(v) Deliberation by Third-party Committee," the Target Project Team reportedly obtained a response and opinion to the following effect: (a) it is regarded that the Tender Offer and other Transactions are implemented for the purpose of the enhancement of Target's enterprise value; therefore, the purposes of the Transactions are rightful; (b) the procedures taken during negotiation on the Tender Offer and other Transactions are regarded as fair; and (c) the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions is adequate, from the third-party committee consisting of two external corporate auditors and one external expert all of whom are independent from Tender Offeror and Target. The Target Project Team, after having held these discussions, deliberations, and negotiations, reportedly made a proposal at the meeting of the board of directors of Target held on the date hereof to the board of directors of Target to the effect that the following resolution should be passed at a meeting of the board of directors of Target: having decided that the Tender Offer and other Transactions provide a reasonable opportunity for Target shareholders and holders of the Share Acquisition Rights to sell their shares and Share Acquisition Rights and that implementing managerial measures toward a medium- to long-term enhancement of the enterprise value proposed by Tender Offeror while avoiding doing so at the risk of the general shareholders leads to achieving Target's medium- to long-term growth and continued enhancement of Target's enterprise value, and is the best option for Target, the board of directors will express an opinion in favor of the Tender Offer and recommend to Target's shareholders and holders of the Share Acquisition Rights to accept the Tender Offer.

Since Mr. Takazoe and Mr. Matsuyoshi have agreed with Tender Offeror with respect to the Tender Offer

and other Transactions to continue to participate in the management of Target after they tender all their shares of common stock and Series 9 Share Acquisition Rights of Target in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired) neither Mr. Takazoe nor Mr. Matsuyoshi has reportedly been appointed as a member of the Target Project Team nor have either of them reportedly participated in the above-mentioned deliberations, etc. by the Target Project Team.

(ii) Deliberation of the Offer Price on the Part of Tender Offeror

In order to determine the Offer Price and the purchase price, etc. per Share Acquisition Right, Tender Offeror analyzed the financial condition and business of Target from a multilateral and comprehensive perspective based on the information regarding the financial and business condition of Target furnished by Target upon request of Tender Offeror. Given that the Target shares of common stock are generally traded on a financial instruments exchange, as a result of considering whether or not Target supports the Tender Offer and whether the Tender Offer is likely to succeed, Tender Offeror set the Offer Price at 1,500 yen after a number of discussions and negotiations held with the Target Project Team, by considering the stock price performance during the past six months and examples of actual premiums paid in determining offer prices in past tender offers that were similar to the Tender Offer. Tender Offeror did not obtain a valuation from a third party appraiser in determining the Offer Price and the purchase price, etc. per Share Acquisition Right.

The Offer Price of 1,500 yen is equivalent to the closing price of the shares of common stock of Target (1,261 yen) on the Tokyo Stock Exchange as of December 1, 2010, the Business Day immediately preceding the date hereof, which is the date of announcement of the Tender Offer, with a premium of 19.0% (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during the one month ending on that date (from November 2, 2010 to December 1, 2010) (1,095 yen) with a premium of 37.0% (rounded up to one decimal place), the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during the three months ending on that date (from September 2, 2010 to December 1, 2010) (1,089 yen) with a premium of 37.7% (rounded up to one decimal place), or the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange during six months ending on that date (from June 2, 2010 to December 1, 2010) (1,128 yen) with a premium of 33.0% (rounded up to one decimal place).

The Share Acquisition Rights included in the subject of the Tender Offer are the share acquisition rights that were issued as stock options to Target employees, with respect to Series 8 Share Acquisition Rights, and to directors and corporate auditors of Target, with respect to Series 9 Share Acquisition Rights. According to the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010), as a condition to the exercise of the Share Acquisition Rights, the holder is required, with respect to Series 8 Share Acquisition Rights, to be an employee of Target, and with respect to Series 9 Share Acquisition Rights, to be a director or corporate auditor of Target; therefore, Tender Offeror will not be able to exercise the Share Acquisition Rights even if it purchases the Share Acquisition Rights in the Tender Offer. However, while Tender Offeror contemplates acquisition of all the shares, etc. issued by Target by means of a management buyout and making Target its wholly-owned subsidiary, the exercise period of Series 8 Share Acquisition Rights will not commence before the last day of the Tender Offer Period, but instead will commence on March 21, 2011, a day which is near to the last day of the Tender Offer Period; and the exercise period of Series 9 Share Acquisition Rights will have already commenced as of the date hereof. Accordingly, the acquisition by Tender Offeror of the Share Acquisition Rights will prevent potential dilution of Target shares held by Tender Offeror. In addition, in connection with the Share Acquisition Rights, the exercise prices per share of common stock of Target (440 yen for Series 8 Share Acquisition Rights and 516 yen for Series 9 Share Acquisition Rights) are lower than the Offer Price of 1,500 yen as of the date hereof. Taking these circumstances into account,

the offer price per Series 8 Share Acquisition Right is set at 1,060 yen, which is equal to the amount obtained by multiplying (a) the difference between the exercise price per share of common stock of Target underlying Series 8 Share Acquisition Rights and the Offer Price, by (b) one, which is the number of shares of common stock of Target underlying one Series 8 Share Acquisition Right, and the offer price per Series 9 Share Acquisition Right is set at 984 yen, which is equal to an amount obtained by multiplying (c) the difference between the exercise price per share of common stock of Target underlying Series 9 Share Acquisition Rights and the Offer Price, by (d) one, which is the number of shares of common stock of Target underlying one Series 9 Share Acquisition Right.

(iii) Target Obtaining Valuation Report and Fairness Opinion Concerning the Offer Price from Independent Third Party Appraiser

In order to ensure the fairness of the decision-making process in evaluating the Offer Price proposed by Tender Offeror, the board of directors of Target appointed as its financial advisor Deutsche Securities, which is a third party appraiser independent of Tender Offeror and Target and is not a related party, and requested evaluation of Target shares, and as of the date hereof, obtained the Target Valuation Report. The board of directors of Target also obtained, as of the date hereof, the Fairness Opinion concerning the Offer Price. Deutsche Securities indicates that it provides the Fairness Opinion, under the indicated assumptions and other certain conditions, to the board of directors of Target to be used as reference materials for the evaluation of the Offer Price conducted by the board of directors of Target. It is reported that the Fairness Opinion obtained from Deutsche Securities is not to recommend Target shareholders to take any actions with respect to the Tender Offer.

According to the Target Valuation Report, the results of the valuation by Deutsche Securities of the Target shares are as follows:

Deutsche Securities indicated that it calculated the value of the Target shares under certain assumptions taking into account the information based on the materials and explanations relating to the current state of its business and future business plans and other matters obtained from the Target Project Team. In the Target Valuation Report, the value of the Target shares was calculated by using the market price method and DCF method, and a comparable public company method as a method to supplement them on the assumption that Target is a going concern. The market price method is a method of evaluating stock value based on the market price of shares of common stock of Target, used by Deutsche Securities because it considered that method to be an objective method in evaluating the stock value of listed companies. Under the market price method, the value per share of common stock of Target was calculated to range from 1,089 yen to 1,128 yen based on the arithmetic average of the closing prices of the shares of common stock of Target on the Tokyo Stock Exchange for the period of one month (1,095 yen), three months (1,089 yen) and six months (1,128 yen) up to December, 1, 2010, which is the valuation reference date. Deutsche Securities indicated that it used the DCF method because Deutsche Securities considers that method suitable for the valuation of a going concern, as it is a method based on the company's future cash flows (profitability). Under the DCF method, the value per share of common stock of Target was calculated to range from 1,183 yen to 1,829 yen by analyzing enterprise value or stock value by discounting at a certain rate the future cash flows calculated based on Target's business plans, to arrive at the present value. Deutsche Securities indicated that it used the comparable public company method because it considers that method, as a supplement to the market price method, capable of reflecting the objectivity of the stock market in the valuation, as it uses stock prices and financial data of other companies in the same industry. Under the comparable public company method, the value per share of common stock of Target was calculated to range from 765 yen to 1,364 yen, following the analysis of various financial indexes of similar listed companies.

Target reportedly did not obtain an opinion from Deutsche Securities as to the adequacy of calculation of value or purchase price of the Share Acquisition Rights.

(iv) Advice from Independent Law Firm

According to Target, the board of directors of Target appointed TMI, which is a legal advisor independent of Target and Tender Offeror in order to ensure transparency and reasonableness when making decisions on the Tender Offer and other Transactions, and obtained from TMI legal advice about issues to heed for the decision-making process regarding the Tender Offer and other Transactions, decision-making method, and other decision-making regarding the Tender Offer and other Transactions.

(v) Deliberation by Third-party Committee

According to Target, on October 4, 2010, the board of directors of Target established a third-party committee consisting of two external corporate auditors that is independent of Tender Offeror and the board of directors of Target: Mr. Shigeo Iino (representative director of Yugen Kaisha Value Plus) and Mr. Kazuharu Tomioka (representative director of Disclosure, Inc.); and one external expert, Mr. Takehiro Nakagawa (attorney-at-law, Nakagawa & Kumagai), to fairly conduct board of directors' meetings of Target and eliminate arbitrariness from the board's decision-making process with respect to the Tender Offer and other Transactions. The board of directors requested the third-party committee to submit a response and opinion to the Target Project Team in connection with the following consultation issues: (a) rightfulness of the purposes of the Tender Offer and other Transactions; (b) fairness of the procedures taken during negotiation on the Tender Offer and other Transactions; and (c) adequacy of the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions.

The third-party committee meetings were held four times in total between October 4, 2010, and December 1 of the same year, and the committee discussed and considered the consultation issues above. Specifically, the committee obtained explanations from the Target Project Team and Deutsche Securities, who is a financial advisor to Target, and TMI, who is a legal advisor to Target, about (a) the contents of the proposal made by Tender Offeror, (b) the independence of Deutsche Securities and TMI from Tender Offeror and Target, and (c) the purposes of the Tender Offer and the series of procedures planned after the Tender Offer, and specific details of Target's enterprise value expected to be enhanced as a result thereof, and made inquiries regarding those matters. The committee also directly interviewed Mr. Takazoe and Mr. Matsuyoshi, who agreed with Tender Offeror to continue to participate in the management of Target after the Tender Offer about the meaning, purposes, and other matters concerning the Tender Offer and other Transactions. Furthermore, the committee referred to the Target Valuation Report and the Fairness Opinion concerning the Offer Price prepared by Deutsche Securities, and its advice, and was given explanations by Deutsche Securities for the valuation of the shares of common stock of Target in accordance with the Target Valuation Report. Moreover, when necessary, the committee was given advice by TMI regarding fairness of the procedures concerning the Tender Offer and other Transactions.

In the above-mentioned situation, based on the considered results, the third-party committee carefully discussed and considered the consultation issues, and on December 1, 2010, submitted to the Target Project Team a response and opinion to the effect that (a) it is regarded that the Tender Offer and other Transactions are implemented for the purpose of the enhancement of enterprise value of Target and therefore the purposes of the Transactions are rightful; (b) the procedures taken during negotiation on the Tender Offer and other Transactions are regarded as fair; and (c) the consideration that is provided to shareholders and holders of Share Acquisition Rights as a result of the Tender Offer and other Transactions is adequate.

(vi) Approval of All Uninterested Directors and Corporate Auditors

According to Target, the board of directors of Target, based on the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party committee; other related materials and the resolution of the board of directors of Target which was proposed by the Target Project

Team as indicated under “(i) Deliberation, Discussion and Negotiation, etc. by the Project Team” above, carefully discussed and considered various conditions for the Tender Offer and other Transactions. Consequently, the board of directors of Target determined that as proposed by the Tender Offeror, to implement managerial measures aiming for medium- to long-term enhancement of the enterprise value while avoiding doing so at the risk of general shareholders leads to achieving medium to long-term growth and continued enhancement of the enterprise value, and thus should be regarded as the best option for Target; and that the Offer Price, the purchase price, etc. per Share Acquisition Right, and other conditions concerning the Tender Offer are adequate for Target shareholders and holders of the Share Acquisition Rights according to the Target Valuation Report, the Fairness Opinion concerning the Offer Price, and advice obtained from Deutsche Securities; the legal advice obtained from TMI; the response and opinion submitted by the third-party committee; other related materials; and that therefore the Tender Offer is to provide shareholders and holders of the Share Acquisition Rights of Target with a reasonable opportunity to sell their shares and Share Acquisition Rights. Therefore, at the board of directors’ meeting of Target held on the date hereof, the directors except for Mr. Takazoe, the representative director and president of Target and Mr. Matsuyoshi, the managing director of Target, unanimously passed a resolution to express an opinion in favor of the Tender Offer and to recommend to Target shareholders and holders of the Share Acquisition Rights to accept the Tender Offer.

Mr. Takazoe and Mr. Matsuyoshi, representative director and president and managing director of Target, respectively, have agreed with Tender Offeror with respect to the Tender Offer to continue to participate in the management of Target after they tender all the shares of common stock and the Series 9 Share Acquisition Rights of Target held by them in the Tender Offer (after they either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired); and in light of the structural conflict of interest with Target, Mr. Takazoe and Mr. Matsuyoshi, as specially interested parties, did not participate in the deliberation or voting at the meetings of the board of directors, and were not involved in the discussions and negotiations with Tender Offeror on Target’s behalf.

Further, at the meeting of the board of directors of Target, all corporate auditors participated in the deliberation; and all corporate auditors who participated in the deliberation stated that they had no objection to the board of directors of Target expressing an opinion in favor of the Tender Offer and recommending that the Target shareholders and holders of the Share Acquisition Rights accept the Tender Offer.

(vii) Relatively Long Tender Offer Period

Tender Offeror set a period of 31 Business Days for the Tender Offer Period, whereas the minimum number of days required under laws and regulations is 20 Business Days. By setting a relatively long Tender Offer Period, Tender Offeror ensures that Target’s shareholders and holders of the Share Acquisition Rights will have a reasonable opportunity to decide whether to tender in the Tender Offer, and that persons other than Tender Offeror will have the opportunity to make an offer for the Share Certificates etc. of Target, thereby ensuring the adequacy of the Offer Price and the purchase price, etc. per Share Acquisition Right.

In addition, Tower made a proposal to Target for the Tender Offer and other Transactions in around the latter part of August 2010; and Target reportedly gave serious consideration to the proposal and other proposals which Target had received by then from several candidates other than Tower. Consequently, Target decided to proceed with discussions with Tower and gave its consent to a letter of intent dated September 3, 2010, which was submitted by Tower to Target, to the effect that Tower desires to be immediately notified if, on or prior to December 31, 2010, any discussion, negotiation, solicitation or provision of information is to take place with a view to entering into a contract or agreement which conflicts with the Tender Offer and other Transactions or otherwise makes the implementation of the Tender Offer and other Transactions difficult, or Target is to enter into the contract or agreement with a

third party other than Tower, and desires to be given a chance to consider the possibility of executing the Tender Offer and other Transactions on condition that discussions between Tower and Target will be continued for at least two weeks following the day on which Tower receives the notice. However, none of Tender Offeror, Tower or any of their related persons has entered into any agreement with Target which restricts contact between a competing takeover bidder and Target, including an agreement containing a deal protection clause which prohibits Target from contacting a competing takeover bidder. This, together with the relatively long Tender Offer Period as described above, is out of consideration for ensuring the fairness of the Tender Offer by assuring an opportunity to make competing bids or other similar actions.

(viii) Minimum Number of Share Certificates etc. Contemplated to be Purchased

The minimum Number of Shares, etc. Contemplated to be Purchased in the Tender Offer is 8,834,675. If the sum of the aggregate number of Target shares of common stock and the aggregate number of Target shares of common stock underlying the Share Acquisition Rights tendered in the Tender Offer is below the minimum Number of Shares, etc. Contemplated to be Purchased, no Tendered Share Certificates etc. will be purchased. The minimum Number of Shares, etc. Contemplated to be Purchased is obtained as follows. (A) The sum of (i) the total number of issued shares of Target as of September 30, 2010, indicated in the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) and (ii) the aggregate number of shares of common stock underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000 shares) (12,163,153 shares), minus (B) the number of Target's treasury shares as of September 30, 2010, indicated in the quarterly report (383,586 shares) (11,779,567 shares), (C) multiplied by 0.75 (8,834,676 shares (fractions rounded up to the nearest whole number)), and (D) minus the number of shares of common stock of Target owned by Tender Offeror (one share). This number exceeds the number of shares (8,439,679 shares) obtained by adding the Number of Shares Owned by Shareholders Who Agreed to Tendering (1,759,906 shares) to the number of shares equivalent to two-thirds (6,679,773 shares) of the number of shares (10,019,660 shares) obtained by deducting the Number of Shares Owned by Shareholders Who Agreed to Tendering (1,759,906 shares), from the Number of Shares, etc. Contemplated to be Purchased. Thus, with respect to the Target shares and the Share Acquisition Rights other than those agreed to be tendered in the Tender Offer, if a large number of shareholders or holders of the Share Acquisition Rights do not tender their shares or share acquisition rights in the Tender Offer, the Tender Offer will not be conducted; and the intention of the Target shareholders and holders of the Share Acquisition Rights will be respected.

III. Relationship with the Appraiser
Not applicable.

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

Number of Shares, etc. Contemplated to be Purchased	Minimum Number of Shares, etc. Contemplated to be Purchased	Maximum Number of Shares, etc. Contemplated to be Purchased
11,779,566 shares	8,834,675 shares	-- shares

(Note 1) If the total number of Tendered Share Certificates etc. is less than the minimum Number of Shares, etc. Contemplated to be Purchased (8,834,675 shares), no Tendered Share Certificates etc. will be purchased. If the total number of Tendered Share Certificates etc. is equal to or exceeds the minimum Number of Shares, etc. Contemplated to be Purchased (8,834,675 shares), all Tendered Share Certificates etc. will be purchased.

(Note 2) The Number of Shares, etc. Contemplated to be Purchased is the number equal to the sum of the total number of issued shares as of September 30, 2010, indicated in the 2nd quarterly report

of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares) and the aggregate number of shares of common stock underlying the Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (483,000 shares), minus the number of treasury shares owned by Target as of September 30, 2010, indicated in the quarterly report which will not be acquired, through the Tender Offer (383,586 shares), and the number of shares owned by Tender Offeror as of the date hereof (one share).

(Note 3) While Series 9 Share Acquisition Rights may be exercised by the last day of the Tender Offer period, Target's shares to be issued upon the exercise are also the subject of the Tender Offer.

(Note 4) Tender Offeror has no plans to acquire the treasury stock held by Target through the Tender Offer.

(Note 5) With respect to the Share Acquisition Right out of the Share Certificates etc., calculation is made as follows: one share for one Series 8 Share Acquisition Right, and one share for one Series 9 Share Acquisition Right, which is the number of Target shares of common stock underlying the Share Acquisition Right.

(6) Change of Holding Ratio of Share Certificates etc. due to Purchase, etc.

Number of voting rights attached to Share Certificates etc. owned by the Tender Offeror before the purchase, etc.	1	(Holding ratio of Share Certificates etc. before the purchase, etc. 0.00%)
Number of voting rights attached to Share Certificates etc. owned by the specially interested persons before the purchase, etc.	-	(Holding ratio of Share Certificates etc. before the purchase, etc. -%)
Number of voting rights attached to Share Certificates etc. contemplated to be purchased	11,779,566	(Holding ratio of Share Certificates etc. after the purchase, etc. 100.00%)
Number of voting rights held by all Target shareholders, etc.	11,296,567	

(Note 1) The "number of voting rights attached to Share Certificates etc. contemplated to be purchased" is the number of voting rights attached to Share Certificates etc. whose number is the Number of Shares, etc. Contemplated to be Purchased in the Tender Offer (11,779,566 shares).

(Note 2) The "number of voting rights held by all Target shareholders, etc." is the number of voting rights held by all shareholders, etc. as of September 30, 2010, indicated in the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010); and in calculating the "holding ratio of Share Certificates etc. before the purchase, etc." and the "holding ratio of Share Certificates etc. after the purchase, etc.," given that the Share Acquisition Rights are included in the subject of purchase, etc. in the Tender Offer, the number of voting rights (11,779,567) attached to the shares (11,779,567 shares), which is the number equal to the sum of the total number of issued shares as of September 30, 2010, indicated in the quarterly report (11,680,153 shares) and the number of shares of common stock underlying the Share Acquisition Rights (483,000 share acquisition rights) as of September 30, 2010, indicated in the quarterly report (483,000 shares) minus the number of treasury shares held by Target as of September 30, 2010, indicated in the quarterly report (383,586 shares), has been used as the denominator.

(Note 3) The "holding ratio of Share Certificates etc. before the purchase, etc." and the "holding ratio of Share Certificates etc. after the purchase, etc." are rounded to the nearest 0.01, if the result is equidistant from two consecutive multiples of 0.01, to the higher of them.

(7) Purchase, etc. 17,512,709,000 yen

(Note) The sum of (i) the amount obtained by multiplying (A) the total number of issued shares as of

September 30, 2010, indicated in the 2nd quarterly report of Target for the term ending March 2011 (19th Fiscal Year) (filed on November 15, 2010) (11,680,153 shares), minus the number of treasury shares owned by Target which will not be purchased through the Tender Offer (383,586 shares as of September 30, 2010) and the number of shares owned by Tender Offeror as of the date hereof (1 share), plus the number of Target's shares underlying Series 9 Share Acquisition Rights Target as of September 30, 2010, indicated in the quarterly report (127,000 shares) (11,423,566 shares) by (B) the offer price per share of common stock (1,500 yen) (17,135,349,000 yen), and (ii) the amount obtained by multiplying (C) the number of Series 8 Share Acquisition Rights as of September 30, 2010, indicated in the quarterly report (356,000 share acquisition rights) by (D) the offer price per Series 8 Share Acquisition Right (1,060 yen) (377,360,000 yen).

(8) Method of Settlement

(i) Names and Addresses of Head Offices of Financial Instruments Firm or Bank, etc. in Charge of Settlement of Purchase, etc.

Citigroup Global Markets Japan Inc.	5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Nikko Cordial Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

(ii) Commencement Date of Settlement
February 4, 2011 (Friday)

(iii) Method of Settlement

After the expiration of the Tender Offer Period, a notice of purchase, etc. pursuant to the Tender Offer will be sent by mail to the address or location of a tendering shareholder, etc. (in the case of a foreign shareholder etc., its standing proxy) without delay.

Purchase will be made in cash. After the commencement date of settlement, sales proceeds of the tendered Share Certificates etc. will be remitted without delay by the tender offer agent or sub-agent to the place designated by a tendering shareholder, etc. (in the case of a foreign shareholder etc., its standing proxy) pursuant to the instructions given by the tendering shareholder, etc.

(iv) Method of Returning Share Certificates etc.

If no Tendered Share Certificates etc. will be purchased by virtue of the conditions set forth in “(i) Existence and Details of Conditions Listed in items of Article 27-13, paragraph 4 of the FIEL” or “(ii) Existence and Details of Conditions of Withdrawal, etc. of Tender Offer and Method of Disclosure of Withdrawal, etc.” of “(9) Other Conditions and Method of Purchase, etc.,” below, the Share Certificates etc. which should be returned will be promptly returned. Shares will revert to the state at the time they were tendered (the state at the time shares were tendered means the state in which the execution of the order for tendering in the Tender Offer has been cancelled) in the tendering shareholders' accounts held at the tender offer agent or sub-agent on the commencement day of settlement (or, if the Tender Offer is withdrawn, the day of withdrawal). With respect to the Share Acquisition Rights, the documents submitted at the time they were tendered will be promptly sent by mail or provided on or after the commencement day of settlement (or, if the Tender Offer is withdrawn, the day of withdrawal) to the holders of the Share Acquisition Rights pursuant to the instructions given by those holders of the Share Acquisition Rights.

(9) Other Conditions and Method of Purchase, etc.

(i) Existence and Details of Conditions Listed in Items of Article 27-13, Paragraph 4 of the FIEL

If the total number of the Tendered Share Certificates etc. is less than the minimum Number of Shares, etc. Contemplated to be Purchased (8,834,675 shares), no Tendered Share Certificates etc. will be purchased. If the total number of the Tendered Share Certificates etc. is equal to or exceeds the minimum Number of Shares, etc. Contemplated to be Purchased (8,834,675 shares), all Tendered Share Certificates etc. will be purchased.

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

If any of the events listed in item 1(*i*) through (*ri*) and (*wo*) through (*so*), item 2, item 3(*i*) through (*chi*) and (*nu*) and items 4 and 5 of Article 14, paragraph 1, and item 3 through 6 of Article 14, paragraph 2 of the Cabinet Order for Enforcement of the Financial Instruments and Exchange Law (Cabinet Order No. 321 of 1965, as amended; hereinafter referred to as the “Cabinet Order”) has occurred, the Tender Offer may be withdrawn. With respect to Article 14, paragraph 1, item 3(*nu*) of the Cabinet Order, the events equivalent to those listed in (*i*) through (*ri*) of that item shall refer to any of the following events:

- (a) If any of the statutory disclosure documents filed by Target in the past is found to contain a false statement in connection with any important matter or lacks a statement of any important matter that should be included; or
- (b) If any contract which is material for the business of Target is terminated due to any circumstances arising on or after the date of public notice of commencement of the tender offer.

In the case of withdrawal, etc., an electronic public notice will be made and that notice will then be set forth in the Nikkei Shimbun; however, if it is difficult to make public notice by the last day of the Tender Offer Period, a public announcement will be made by a method specified in Article 20 of the Cabinet Office Ordinance concerning Disclosure of Tender Offers for Share Certificates etc. by Persons Other Than Issuer (Ministry of Finance Ordinance No. 38 of 1990, as amended; hereinafter referred to as the “Cabinet Office Ordinance”), and a public notice will be made immediately thereafter.

(iii) Existence and Details of Conditions of Reduction of Purchase Price, etc. and Method of Disclosure of Reduction

If, during the Tender Offer Period, Target takes any of the actions listed in Article 13, paragraph 1 of the Cabinet Order pursuant to Article 27-6, paragraph 1, item 1 of the FIEL, the purchase price, etc. may be reduced in accordance with the standards provided for in Article 19, paragraph 1 of the Cabinet Office Ordinance. If the purchase price, etc. is to be reduced, an electronic public notice will be made and that notice will then be set forth in the Nikkei Shimbun; however, if it is difficult to make public notice by the last day of the Tender Offer Period, a public announcement will be made by a method specified in Article 20 of the Cabinet Office Ordinance, and a public notice will be made immediately thereafter.

If the purchase price, etc. is reduced, the Tendered Share Certificates etc. tendered on or prior to the date of the public notice will also be purchased at the reduced purchase price, etc.

(iv) Matters concerning Right of Tendering Shareholder, etc. to Cancel Agreement

A tendering shareholder, etc. may cancel the agreement relating to the Tender Offer at any time during the Tender Offer Period.

If you are to cancel the agreement, please provide or send the document (“Cancellation Document”) that states to the effect that you intend to cancel the agreement relating to the Tender Offer together with an acceptance slip for the application for the tender offer (if provided) to any of the following designated persons by 15:30 of the last day of the Tender Offer Period. (Business hours differ in each branch of Nikko Cordial Securities Inc. Upon conducting the procedures, please make sure to confirm in advance the business hours of the branch you use.) In the case of transport delivery, the Cancellation Document must be delivered to any of the following designated persons by 15:30 of the last day of the Tender Offer

Period. (Business hours differ in each branch of Nikko Cordial Securities Inc. Upon conducting the procedures, please make sure to confirm in advance the business hours of the branch you use.)

Person having authority to receive the Cancellation Document

Citigroup Global Markets Japan Inc. 5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Nikko Cordial Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

(And other domestic branches of Nikko Cordial Securities Inc.)

No tendering shareholder, etc. will be required by Tender Offeror to pay damages or penalty in connection with the tendering shareholder, etc.'s cancellation of the agreement.

(v) Method of Disclosure in Case of Amendment to Purchase Terms, etc.

During the Tender Offer Period, Tender Offeror may amend the purchase terms, etc., except where the amendment is prohibited pursuant to Article 27-6 of the FIEL and Article 13 of the Cabinet Order. If the purchase terms, etc. are to be amended, an electronic public notice will be made with respect to the details of the amendment, and the notice will then be set forth in the Nikkei Shimbun; however, if it is difficult to make public notice by the last day of the Tender Offer Period, a public announcement will be made by a method specified in Article 20 of the Cabinet Office Ordinance, and a public notice will be made immediately thereafter. If the purchase terms, etc. are amended, the Tendered Share Certificates etc. tendered on or prior to the date of the public notice will also be purchased in accordance with the amended purchase terms, etc.

(vi) Method of Disclosure Where Amendment Notification is Filed

If an amendment notification is (*teisei todokedesho*) filed with the Director General of the Kanto Financial Bureau, the matters set forth in the amendment notification that are related to the matters set forth in the public notice of commencement of tender offer will be immediately announced by a method specified in Article 20 of the Cabinet Office Ordinance. The tender offer statement (*koukai kaitsuke setsumeisho*) will also be amended immediately, and the amended tender offer statement will be delivered to any tendering shareholder, etc. who has already received the tender offer statement. However, if the scope of the amendment is limited, a document setting forth the reasons for amendment, matters subject to amendment, and description after amendment will be prepared and delivered to a tendering shareholder, etc., in lieu of the amended tender offer statement.

(vii) Method of Disclosure of Result of Tender Offer

The result of the Tender Offer will be publicly announced by the method specified in Article 9-4 of the Cabinet Order and Article 30-2 of the Cabinet Office Ordinance on the day immediately following the last day of the Tender Offer Period.

(10) Date of Public Notice of the Tender Offer

December 3, 2010 (Friday)

(11) Tender Offer Agent

Citigroup Global Markets Japan Inc. 5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

The tender offer agent has appointed the following sub-agent for the purpose of re-commissioning part of its affairs.

Nikko Cordial Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

3. Plans, etc. After the Tender Offer and the Prospect for the Future

For plans, etc. after the Tender Offer, please refer to “(3) Management Policies Following Implementation of the Tender Offer,” “(4) Agreements Concerning the Tender Offer,” “(6) Plans for Restructuring Following the Tender Offer (Matters regarding So-Called Two-Tier Acquisition),” and “(7) Prospect of Delisting and Grounds Therefor” of “1. Purposes of Tender Offer” above.

4. Others

(1) Existence and Substance of Agreements between the Tender Offeror and Target or the Officers of Target

Tender Offeror entered into a memorandum of understanding dated the date hereof, with Mr. Takazoe and Mr. Matsuyoshi in connection with the Tender Offer. Set forth below is a summary thereof:

(i) Mr. Takazoe and Mr. Matsuyoshi shall tender all of their shares of common stock and Series 9 Share Acquisition Rights of Target in the Tender Offer (with respect to Series 9 Share Acquisition Rights, they shall either tender the Series 9 Share Acquisition Rights or exercise the Series 9 Share Acquisition Rights and tender the shares of common stock of Target thereby acquired).

(ii) Under entrustment by Irish Co, which will become the 100% parent company of Tender Offeror, Mr. Takazoe and Mr. Matsuyoshi shall continue to participate in the management of Target following the Tender Offer as representative director and president and director of Target, respectively, and shall not resign from the office of representative director and president or director of Target or reject reappointment as such without the prior consent of Irish Co.

(iii) Tender Offeror, Mr. Takazoe, and Mr. Matsuyoshi acknowledge that after the completion of the Transactions, Mr. Takazoe and Mr. Matsuyoshi intend to, and/or intend to cause a company owned by them to, contribute a certain amount to Tender Offeror or acquire a certain number of shares of Tender Offeror, and shall consult in good faith with respect to the terms of the contribution.

(iv) If Tender Offeror procures funds necessary for the Transactions (including funds to make a loan to Target to apply to refinance Target’s interest-bearing debts) by a loan from a bank or any other financial institution, Mr. Takazoe and Mr. Matsuyoshi shall, or shall cause a company owned by them to, pledge the shares of Tender Offeror held by them or that company to secure the loan.

In addition, after the completion of the Transactions, Irish Co plans to enter into a management entrustment agreement with each of Mr. Takazoe and Mr. Matsuyoshi in connection with, among other things, the management of Target, which provides for the following:

(i) Unless there are special circumstances, Mr. Takazoe shall remain as the representative director and president of Target for 5 years following the execution of the agreement, and Mr. Matsuyoshi shall remain as the director of Target until the expiration of the term of office of director effective at the time of execution of the agreement (if certain grounds do not exist, the term of office of director shall be renewed under the same conditions every two years; and if reappointed as a director, the agreement shall continue to apply), and they shall not resign from the office or reject reappointment as such without Irish Co’s prior consent.

(ii) Mr. Takazoe and Mr. Matsuyoshi shall, during their terms of office as representative director and director of Target receive monthly remuneration in amounts that are, in principle, similar to the amounts of remuneration paid by Target prior to the Tender Offer in consideration for the performance of their services and duties (the details of the remuneration will be further discussed between Irish Co and Mr. Takazoe and Mr. Matsuyoshi, respectively).

(iii) As advance payment of part of the consideration for their continued services as the representative director and president and as a director of Target following the Transactions, on a day separately agreed on between Irish Co and Mr. Takazoe and Mr. Matsuyoshi respectively, Mr. Takazoe and Mr. Matsuyoshi will respectively receive a lump sum payment of 120 million yen. If, within eight months of the execution of the agreement, either of Mr. Takazoe or Mr. Matsuyoshi dies, is dismissed or is removed from the office of

representative director or director of Target on certain grounds, or is requested to resign from such office, or their reappointment is rejected or either of them resigns from the office of representative director or director of Target, he shall return the lump sum payment to Tender Offeror.

(iv) Neither Mr. Takazoe nor Mr. Matsuyoshi will receive retirement bonuses.

(v) Mr. Takazoe shall be granted stock options entitling him to acquire shares of the Tender Offeror of 2% of the total number of shares issued by Tender Offeror immediately prior to the issuance of the stock options. Mr. Matsuyoshi shall be granted stock options entitling him to acquire shares of the Tender Offeror of 0.5% of the total number of shares issued by Tender Offeror immediately prior to the issuance of the stock options.

Mr. Masatsugu Matsuzaki and Mr. Tetsuo Saito, directors of Target other than Mr. Takazoe and Mr. Matsuyoshi, have not agreed with Tender Offeror to participate in the management of Target following the Tender Offer; and Mr. Kazuhiko Kihara, Mr. Shigeo Iino and Mr. Kazuharu Tomioka, corporate auditors of Target, have not agreed with Tender Offeror to remain in office as corporate auditors following the Tender Offer.

Further, after the completion of the Transactions, a shareholders agreement is planned to be executed between Irish Co and Mr. Takazoe and/or a company owned by him and between Irish Co and Mr. Matsuyoshi and/or a company owned by him, respectively, relating to shares of Tender Offeror (or Target after merger with Tender Offeror). However, no specific contents have been agreed upon as of the date hereof.

(2) Other Information Determined as Necessary for the Investors to Decide Whether to Apply for the Tender Offer

Not applicable.

End