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[Filing Document]	Tender Offer Registration Statement
[Filed with]	The Director-General of the Kanto Local Finance Bureau of the Ministry of Finance Japan
[Filing Date]	December 21, 2015
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[Location at Which Statement Is Available to the Public]	Sompo Japan Nipponkoa Holdings, Inc. (26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

(Note 1) In this Statement, the “Tender Offeror” or the “Company” means Sompo Japan Nipponkoa Holdings, Inc.

(Note 2) In this Statement, the “Target Company” means Message Co., Ltd.

(Note 3) Where the figures in this Statement are rounded up or rounded down, the amount indicated as the total may not always coincide with the sum of the relevant figures.

(Note 4) In this Statement, the term “Act” means the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

(Note 5) In this Statement, the term “Enforcement Order” means the Financial Instruments and

Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended).

- (Note 6) In this Statement, the term “TOB Order” means the Cabinet Ordinance Concerning the Disclosure of Tender Offers for Shares, Etc., by Persons Other Than Issuers (Ministry of Finance Ordinance No. 38 of 1990, as amended).
- (Note 7) In this Statement, the term “share(s)” means the rights pertaining to stock.
- (Note 8) In this Statement, unless otherwise provided, any indication of the number of days, date or time refers to such number of days, date or time in Japan.
- (Note 9) In this Statement, the term “business day” means any day other than the days prescribed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs (Act No. 91 of 1988, as amended).
- (Note 10) The tender offer pertaining to the filing of this Statement (hereinafter the “First Tender Offer” or the “Tender Offer”) and the tender offer that will be conducted by the Tender Offeror after completion of the First Tender Offer (hereinafter the “Second Tender Offer” and together with the First Tender Offer, the “Dual Tender Offers”) are to be conducted by the Company, the Tender Offeror, for securities of the Target Company, a company incorporated in Japan. As these companies are located in Japan and most officers of these companies reside in Japan, it may be difficult to exercise rights and make claims under the securities-related laws of the U.S. in connection with the Dual Tender Offers. It may not be possible to initiate legal proceedings against these companies or their officers in courts outside of the U.S. on the ground of a violation of the securities laws of the U.S. Moreover, there is no guarantee that these companies or their officers or any other affiliates of these companies could be forced to submit to the jurisdiction of U.S. courts. In addition, the Dual Tender Offers are to be conducted in accordance with the procedures and information disclosure standards prescribed in the Act. However, these procedures and standards are not necessarily identical to the corresponding procedures and standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Securities Exchange Act of 1934”), and the rules promulgated thereunder do not apply to the Dual Tender Offers, and the Dual Tender Offers do not conform to the procedures and standards provided under such laws and regulations. All financial information contained in this Statement has been prepared based on Japanese accounting standards and is not based on U.S. accounting standards. Therefore, such financial information is not necessarily equivalent to financial information prepared based on U.S. accounting standards.
- (Note 11) Unless otherwise provided, all procedures for the Dual Tender Offers shall be conducted in the Japanese language. All or some portion of the documents relating to the Dual Tender Offers may be prepared in the English language. However, should there be any inconsistency between a document in English and that in Japanese, the Japanese document shall prevail.
- (Note 12) This Statement contains “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or other factors, it is possible that actual results may differ materially from the projections expressly or implicitly indicated by such “forward-looking statements”. Neither the Tender Offeror nor its affiliated companies guarantee that the projections expressly or implicitly indicated by such “forward-looking statements” will be accurate. The “forward-looking statements” in this Statement were prepared based on information available to the Tender Offeror as of the filing date of this tender offer registration statement (the “Registration Statement”), and unless required by law to do so, neither the Tender Offeror nor its affiliated companies are obliged to update or modify such statements in order to reflect any future event or condition.

(Note 13) The financial advisor to the Tender Offeror, and its affiliated companies may, within their ordinary course of secondary market business and to the extent permitted under Japan's financial instruments laws and other applicable laws and in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934, prior to the commencement of, or during the tender offer period of any of the Dual Tender Offers, engage in the purchase of shares of common stock of the Target Company for their own account or for their customers' accounts by means other than pursuant to the Dual Tender Offers. If any information concerning such purchase is disclosed in Japan, disclosure in the English language will be made on the Company's website or through other disclosure methods.

I. 【Terms and Conditions of the Tender Offer】

1. 【Name of the Target Company】

Message Co., Ltd.

2. 【Class of Shares to be Purchased】

Common stock

3. 【Purpose of the Tender Offer】

(1) Overview of the Tender Offer

The Company resolved, at its board of directors' meeting held on December 18, 2015, that it would acquire the shares of common stock of the Target Company (the "Target Company Shares"), which are listed on JASDAQ (Standard) market ("JASDAQ") of Tokyo Stock Exchange, Inc. ("TSE"), through multiple transactions (the "Transactions"), with the primary aim of making the Target Company a consolidated subsidiary of the Company ("Making the Target Company a Subsidiary").

As the first step of the Transactions, the Company has resolved to conduct the First Tender Offer, with the main aim of acquiring (i) the 5,800,000 shares of the Target Company (Shareholding Ratio (Note): 28.88%) that are held by Yugen Kaisha Higashiune Shoji, which is a principal shareholder and the largest shareholder of the Target Company ("Higashiune Shoji"; Higashiune Shoji is the asset management company for Mr. Toshiaki Hashimoto, who is the founder of, the eighth largest shareholder of, and the Representative Director and Chairman of the Target Company), (ii) the 600,000 shares of the Target Company (Shareholding Ratio: 2.99%) that are held by Ms. Takae Hashimoto, who is the fifth largest shareholder of the Target Company and the spouse of Mr. Toshiaki Hashimoto, and (iii) the 564,800 shares of the Target Company (Shareholding Ratio: 2.81%) that are held by Mr. Toshiaki Hashimoto. The total number of the Target Company Shares that the Company aims to acquire in the First Tender Offer is 6,964,800 shares, which represent a Shareholding Ratio of 34.69%. These shares shall hereinafter be referred to as the "Prospective Tendered Shares", and Higashiune Shoji, Ms. Takae Hashimoto and Mr. Toshiaki Hashimoto, who hold such Prospective Tendered Shares, shall hereinafter collectively be referred to as the "Prospective Tendering Shareholders").

(Note) "Shareholding Ratio" means a holding ratio to the total issued shares of the Target Company as of September 30, 2015 (i.e., 20,080,000 shares), as set forth in the 19th Business Period Second Quarterly Report filed by the Target Company as of November 12, 2015 (the "Target Company's 19th Business Period Second Quarterly Report"), which percentage is rounded to the nearest hundredth upon the calculation thereof.

For the First Tender Offer, the Company and the Prospective Tendering Shareholders entered into the Tender Offer Agreement Concerning the Application for the First Tender Offer as of December 18, 2015 (the "Tender Offer Agreement"), and the Prospective Tendering Shareholders have agreed to tender all of its Prospective Tendered Shares in the First Tender Offer. As to the details of the Tender Offer Agreement, please refer to "b. Tender Offer Agreement" of "(4) Matters Concerning Material Agreements Related to the Dual Tender Offers" below.

Since the Company intends to acquire the Prospective Tendered Shares in the First Tender Offer, the Company has set the minimum number of shares to be purchased at the First Tender Offer as 6,964,800 shares (Shareholding Ratio: 34.69%), which is equivalent to the number of the Prospective Tendered Shares held by the Prospective Tendering Shareholders. If the total number of tendered shares for the First Tender Offer (which means shares tendered in the Tender Offer; the same shall apply hereinafter) does not reach the minimum number of shares to be purchased at the First Tender Offer, the Company will not purchase any tendered shares through the First Tender Offer. In addition, since the Second Tender Offer will be conducted, in principle, after the First Tender Offer, as described below, the Company assumes that no shares other than the Prospective

Tendered Shares will be tendered in the First Tender Offer. However, from the perspective of leaving the decision of matters, including the above matter, to the judgment of each shareholder of the Target Company, even if shares, the number of which exceeds the minimum number of shares to be purchased at the First Tender Offer, are tendered in the First Tender Offer, the Company will purchase tendered shares. On the other hand, since, if the Company acquires a majority of voting rights of the Target Company, the Company is required to make a notification to the Prime Minister of Japan in advance of such acquisition pursuant to Article 271-32, Paragraph 2, Item (iii) of the Insurance Business Act (Act No. 105 of 1995, as amended), and the Company will submit such notification when it conducts the Second Tender Offer, and also taking into consideration the fact that Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”), which is a subsidiary of the Company, holds 703,500 shares (Shareholding Ratio: 3.50%) of the Target Company Shares, the Company has set the maximum number of shares to be purchased at the First Tender Offer as 9,336,400 shares (Shareholding Ratio: 46.50%).

As the second step of the Transactions, if the First Tender Offer is completed, the Company will conduct the Second Tender Offer promptly after the settlement of the First Tender Offer, with the main aim of acquiring the Target Company Shares held by shareholders of the Target Company other than the Prospective Tendering Shareholders, thereby completing Making the Target Company a Subsidiary. The Company and the Target Company entered into the Memorandum of Understanding Concerning the Tender Offer, etc. (the “MOU”) as of December 18, 2015. Under the MOU, if certain conditions precedent, including the completion of the First Tender Offer (the “Conditions Precedent”) are satisfied, the Company is obliged to conduct the Second Tender Offer promptly after the settlement of the First Tender Offer; however, if the Conditions Precedent are not satisfied, there is a possibility that the Company will not conduct the Second Tender Offer. As to the details of the MOU and the Conditions Precedent, please refer to “a. MOU” of “(4) Matters Concerning Material Agreements Related to the Dual Tender Offers” below. The tender offer price per share of the Target Company Shares for the Second Tender Offer (the “Second Tender Offer Price”) will be 3,500 yen, which will be 1,000 yen (40%) higher than the tender offer price per share of the Target Company Shares for the First Tender Offer (the “First Tender Offer Price”) (i.e., 2,500 yen). As to the details of the Second Tender Offer Price, please refer to “d. Determination of the Second Tender Offer Price” of “(5) Matters Concerning the Second Tender Offer” below. Shareholders of the Target Company other than the Prospective Tendering Shareholders will determine whether or not to tender their shares in either tender offer, based on the assumptions that the Dual Tender Offers are one transaction, and, if the First Tender Offer is completed, the Second Tender Offer will be conducted subsequently after the completion of the First Tender Offer. The Transactions are not to be implemented with the intention to delist the Target Company Shares, and the Company and the Target Company intend to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers as well; however, from the perspective of ensuring the opportunity for shareholders of the Target Company other than the Prospective Tendering Shareholders who wish to sell the Target Company Shares at the Second Tender Offer Price, no maximum or minimum number would be set on the number of shares intended to be purchased at the Second Tender Offer.

According to the Target Company’s press release, “Notice of Expression of Opinion regarding the Tender Offer for the Company Shares by Sompo Japan Nipponkoa Holdings, Inc.” dated December 18, 2015 (the “Notice by the Target Company”), the Target Company resolved, at its board of directors’ meeting held on December 18, 2015, that the Target Company would issue an opinion in support of the First Tender Offer which will be conducted as a part of the Transactions, withhold its opinion concerning the appropriateness of the First Tender Offer Price, and defer to the decision of each shareholder of the Target Company as to whether to apply for the First Tender Offer. Furthermore, if the First Tender Offer is completed, the Company will conduct the Second Tender Offer, the tender offer price for which is a higher price (i.e., 3,500 yen) than the First Tender Offer Price (i.e., 2,500 yen), promptly after the settlement of the First Tender Offer. As of December 18, 2015, the board of directors of the Target Company resolved, at its meeting, that the Target Company would support the Second Tender Offer if the Second Tender Offer is to be conducted, and also resolved that it would defer to the decision of each shareholder of the Target Company as

to whether to apply for the Second Tender Offer, given that the Second Tender Offer Price has a certain degree of reasonableness based on the share valuation report for the Target Company Shares obtained from Nomura Securities Co., Ltd. (“Nomura Securities”), and that the Transactions are not to be implemented with an intention to delist the Target Company Shares, and the Company and the Target Company intend to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers.

As to the details of the above-mentioned resolution of the board of directors’ meeting of the Target Company, please refer to the Notice by the Target Company and “c. Unanimous Approval by the Non-Interested Directors and No Objection from Corporate Auditors of the Target Company” of “(6) Measures to Ensure the Fairness of the Dual Tender Offers Including Those to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below.

(2) Purpose and Background of Decision to Conduct the Dual Tender Offers and Management Policy After the Dual Tender Offers

a. Purpose and Background of Decision to Conduct the Dual Tender Offers

The Company was founded on April 1, 2010 as the joint holding company of SOMPO JAPAN INSURANCE INC. and NIPPONKOA Insurance Company, Limited through the share exchange framework where their respective shares were exchanged for the shares issued by the Company, which was then called NKSJ Holdings, Inc., and the shares in the Company were listed for trade on the First Sections of both the TSE and the Osaka Securities Exchange (as it was known at the time) as of the same day. The Company has the status as “insurance holding company” as defined in Article 2, Paragraph 16 of the Insurance Business Act. The Company changed its name to Sompō Japan Nipponkoa Holdings, Inc. on September 1, 2014.

The Company’s group is comprised of the Company as the insurance holding company and its affiliates, which include 120 subsidiaries and 12 related companies, and the businesses conducted by the group include the domestic P&C insurance business, domestic life insurance business, foreign insurance business, health care business, defined-contribution-pension business, and asset management business.

The Company’s group has the brand slogan of “Innovation for Wellbeing”, and the management philosophy of the Company’s group is that “We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible”. The vision of the Company’s group is “to always be the best customer service provider both at home and abroad” through the Company’s business activities. At present, the domestic nursing care market is expected to expand rapidly. The future statistics issued by the Cabinet Office in the 2015 publication of the White Paper on the Aging Society foresees that the population aged 75 and above, which comprise the main users of nursing care services, is expected to increase from 15,920 thousands in 2014 to more than 20 million in 2025 and that a particularly rapid increase in the elderly population will be seen in the Tokyo and other metropolitan areas, which will further increase the demand for nursing care services.

Under these circumstances, the report issued by the National Commission on Social Security Reform in 2013 has indicated a policy that will move Japan from a hospitalization-based system to a community-based system, which means that community residents will support and care for each other. The report also proposed increasing the ability of elderly people who require

middle-to-heavy nursing care to remain in their homes. Targeting the year 2025 when the “baby boom generation” will reach 75 years old, the policy envisions forming a “comprehensive community care system” to provide residential, medical and care services, as well as prevention and living support in a comprehensive manner so as to realize the concept of “aging in place”, which assures elderly people the ability to continue their lives as they wish in a community familiar to them even after they begin to require heavy nursing care.

Under these circumstances and given the promising large size of the nursing care and related business markets that seem to warrant projections of high growth, and moreover, because the nursing care business is consistent with the above-mentioned management philosophy of the Company’s group, which is to provide services that contribute to the “security, health and wellbeing” of its customers, the Company has been strengthening and accelerating business initiatives in the nursing care sector, as illustrated by its 34.00% capital investment in Cedar Co., Ltd. through an investment limited partnership in September 2012, the capital and business alliance with the Target Company (the “Alliance”), and the 3.50% acquisition of the shares in the Target Company by Sompo Japan Nipponkoa based on the Alliance, in March 2015, and the completion of the acquisition of all of the shares in Watami no Kaigo Co, Ltd., which was renamed Sompo Care Next Inc., in December 2015. The Company’s group intends to prioritize the nursing care business as its “core business”, equivalent to the P&C insurance business and the life insurance business and desires to reform the nursing care business, which has a variety of issues in today’s society, and thereby contribute to provide solutions to social challenges.

The Target Company was found in Aoe, Okayama City in May 1997 with the business objectives to manage rental housing for elderly people, to sell nursing care goods and to deliver meals. Starting with the opening of a house for elderly people, which is now called “Amille Ofuku”, in Ofuku, South District, Okayama City in the same month, the Target Company has been engaging mainly in the provision of housing for elderly people who require some level of care, as well as living support and nursing care services, including meal delivery. The Target Company has been committed to providing “high-quality housing and support living of elderly people who need nursing care” with the aim of achieving “normalization (meaning ordinary living)” of disabled individuals. The Target Company has been a pioneer in the nursing care service sector with respect to providing lower-cost nursing homes, abolishing the lump-sum payment requirement for moving-in, and providing nursing care tailored to customers, rather than facility-based standardized services. The shares in the Target Company were registered with Japan Securities Dealers Association for over-the-counter trade in April 2004 and listed for trade on the JASDAQ market in December 2004. The shares are now traded on the JASDAQ market of the TSE.

The Target Company Group comprises the Target Company and 10 subsidiaries. Among the services offered by the Target Company Group, nursing care services fall within the “home care service” under the Long-Term Care Insurance Act (Act No. 123 of 1997, as amended) and the Target Company Group is registered as such a service provider in each of the municipalities where the Target Company Group is providing fee-based nursing homes, group homes, at-home nursing care, homecare support, small-scale multi-purpose senior residence with nursing care service and other similar services to persons that were issued Certifications of Needed Long-Term Care and persons that were issued Certifications of Needed Support. The fee-based nursing homes are branded as “Amille”, “Amille Residence” or “S Amille”.

The Target Company Group offers fee-based nursing homes under the brand name of “Amille,” “Amille Residence” and “S Amille.” The Target Company also offers rental housing for elderly people with long-term nursing care services under the brand of “C Amille”, which meet the facility requirements and provide living support services in accordance with the Law Amending a Part of the Act on Securement of Stable Supply of Elderly Persons' Housing (Act No. 26 of 2001, as amended). Moreover, in anticipation of increasing demand for at-home services, the Target

Company started offering “Z Amille”, which is to provide nursing care services like fee-based nursing homes at the homes of customers, in February 2015. The Target Company envisions expanding the area where Z Amille is available to customers primarily in the Tokyo metropolitan area.

The Target Company operates 183 fee-based nursing homes and 125 serviced rental housing for elderly people, etc. throughout Japan, primarily in the Tokyo metropolitan area, by which it provides residence to more than 15,000 elderly people. The Target Company also provides nursing care services to more than 27,000 elderly people per month from more than 400 stations.

Through research and analysis of the nursing care business, the Company’s group noticed that the Target Company was not only a very competitive service provider in terms of business size but also a corporation with comprehensive nursing care services, including a broad range of both facility-based services and at-home services, available to meet various needs of customers. The Company’s group hence came to conclude that the Target Company would be the best business partner for the Company’s group to fulfill its desire to become a “true service provider” in the nursing care sector. In March 2015, the Company executed the capital and business alliance agreement with the Target Company and acquired 703,500 stock shares, representing 3.50% of the outstanding shares in the Target Company, from Mr. Toshiaki Hashimoto, the founder and the Representative Director and Chairman of the Target Company. Under the Alliance, it was agreed that the Company’s group would cooperate in the expansion of the nursing care business by the Target Company, utilizing the business and customer base of the Company’s group, and the Target Company would cooperate in the development of insurance and financial products to respond to the needs of the aging society by the Company’s group, utilizing the Target Company’s knowhow in the nursing care sector. Moreover, it was agreed that both parties should jointly explore developing new services to respond to issues that arise in the super-aged society and the change of the needs of customers, utilizing their respective management resources. Cooperation in a wide range of business sectors, including development of consulting service to address the leave-for-care issue and new insurance products to better respond to an aging society have been jointly considered and discussed through the Alliance. Sharing the view that at-home nursing care is the preferred model for the future, both parties have been jointly promoting and expanding the “Z Amille”, which is the full-package at-home nursing care service offered by the Target Company.

The Company has been accumulating experience in the nursing care business, utilizing the management resources and knowhow of the Company’s group. The Company came to believe that it would be important to strengthen business initiatives in the promising nursing care service market and acquire a top class position in the nursing care sector promptly through expansion of business size, enhanced operational efficiency and improved service quality. The Target Company also believes that its immediate task is to improve service quality in its facilities, enhance management efficiency and productivity and strengthen its corporate governance, in particular, the risk management system. Both parties concluded that further collaboration in concert would enable sustainable provision of valuable services in the nursing care sector.

In late September, 2015, the Company solicited the views of Mr. Hashimoto, the founder and one of the Prospective Tendering Shareholders, as to the possibility of the Transactions towards making the Target Company a consolidated subsidiary of the Company. Through discussion, Mr. Hashimoto and the Company came to share the vision towards achieving the greatest and highest-quality nursing care business in Japan and reforming the country’s nursing care business, and agreed that the Target Company should become a subsidiary of the Company in order to further enhance cooperation between the Company and the Target Company and improve the implementation of the measures set forth below to increase the corporate value of both parties. Afterwards, in early October, the Prospective Tendering Shareholders, including Mr. Hashimoto,

offered that the Prospective Tendering Shareholders would be willing to sell their shares at a price per share lower than a price to be offered by the Company to shareholders of the Target Company other than the Prospective Tendering Shareholders as an indication of their commitment as major shareholders to secure making the Target Company a consolidated subsidiary of the Company. Accordingly, the Company began making a concrete plan to implement the Transactions.

In late October 2015, the Company explained to the Target Company about making the Target Company a consolidated subsidiary of the Company with a view to constructing in the Target Company a management system to run the business as a member company of the Company's group and promote further cooperation and increase the corporate value of both parties. Through discussion, the Company and the Target Company came to agree on a framework of the Transactions under which the Target Company would become a consolidated subsidiary of the Company through the acquisition by the Company of all of the shares owned by the Prospective Tendering Shareholders in the First Tender Offer, followed by the additional acquisition of shares in the Second Tender Offer. The Prospective Tendering Shareholders also agreed to the framework of the Transactions.

The Company's group and the Target Company's group have a business base in "insurance" and "nursing care" respectively, and both parties have been promoting the nursing care and related businesses, sharing management resources and knowhow that each group did not have on its own. Both parties believe that making the Target Company a consolidated subsidiary of the Company through the Transactions would make it possible to directly invest the management resource and knowhow of the Company, which is accumulated through the wide network and various group activities of the Company's group, into the Target Company and thereby promoting business in the nursing care market as one group.

The Company and the Target Company is considering the implementation of the following measures with a view to further increasing the corporate value of both parties:

(a) Establishment of Internal Controls aimed at Improvement of Quality of Nursing Care Service

Properly drawing on the governance, compliance and risk control management knowhow of the Company, the Target Company Group will establish an effective governance and internal control systems, which will enable it to provide high-quality nursing care service to contribute to the security, health and wellbeing of customers in a sustainable fashion.

(b) Utilization of Information and Communication Technology and Digital Technology

The Target Company will achieve sophistication in the nursing care business of the Company's group and the Target Company Group through adoption or utilization of information and communication technology such as information management systems, digital devices and sensor technology in such areas as operational record keeping, help staff labor management, operational information sharing and security management with a view to reducing burdens on help staff and enabling the provision of safe and secure services in a sustainable fashion.

(c) Enhanced Productivity by Unification and Integration of Business

Integrating the nursing care business of the Company and the business of the Target Company on a step-by-step basis in terms of the utilization of shared business systems and the consolidation of both of their respective middle-to-back office functions, the Company and the Target Company would improve productivity in the nursing care business as one group.

(d) Improvement of Working Conditions of the Help Staff and Promotion of Their Recruiting and Training

The Target Company will improve the working conditions of the help staff of the nursing care business of both groups by enhancing productivity through the utilization of information and communication technology and digital technology. The Target Company will establish a system enabling it to systematically recruit and train help staff suitable for the provision of nursing care services, utilizing the human resource management knowhow accumulated in the Company's group.

(e) Collaboration with the Nursing Care Business Committee of the Company's group

The Company will set-up an internal consulting committee in charge of the nursing care business. The discussions and advice of the committee will be provided to the Target Company to be reflected in its business activities with a view to developing and implementing progressive nursing care services. The committee members will be appointed from among people with a suitable background and knowledge from both the academic and business worlds. The committee will verify and analyze various challenges facing the nursing care business in Japan, hold discussions for resolution of such challenges, and give advice concerning the nursing care business strategy of the Company's Group and the direction in which the Company's group is to steer its nursing care business.

(f) Collaboration in New Business Generation

Through consolidated utilization of the management resources and knowhow, including human resource, technology and information, of the Company's group and the Target Company Group, we will aim to generate and grow innovative services in the nursing care market and address a variety of needs of our customers.

As described in detail in the foregoing, the Company's group and the Target Company's group came to conclude that it would be desirable for the Target Company to become a consolidated subsidiary of the Company for the purpose of realizing an increase in the corporate value of both parties and generating innovative business models welcomed by many elderly people and their families in the nursing care sector, utilizing their respective management resources and knowhow. The Board of Directors of the Company approved the implementation of the First Tender Offer as the first phase of the Transactions on December 18, 2015.

b. Management Policy After the Completion of the Dual Tender Offers

As publicized in the Target Company's press release dated December 7, 2015 regarding "Notice of the Results of the Examination by the Independent Third-Party Examination Committee and the Measures to Be Taken by the Target Company" and "Notice Concerning Disciplinary Action against Officers of the Company and New Organizational Structure" dated December 18, 2015, in connection with the maltreatment of customers and other unlawful conducts by the help staff of the facilities run by the Target Company, the Target Company received a report (the "Committee Report") of a third-party committee comprised of independent persons that examined these cases. The report included fact-finding and analysis of the irregularities and their causes, identified the responsible persons, recommended preventive and remedial measures. The Target Company determined that the officers' compensations should be reduced in order to clarify where the responsibility lies but that its current officers should continue to fulfill their respective responsibilities for the time being to press forward remedial measures and reconstruction measures. The Target Company also determined to introduce a new organization structure, and already started actions to reform the facility management system and corporate governance system.

The Company supports such actions by the Target Company in anticipation that the current management of the Target Company, with their deep knowledge and experience in the nursing care business, will discharge their responsibilities in improving the facility management. However, the Committee Report indicates that the Target Company group is facing challenges in its internal control. After the completion of the Dual Tender Offers, the Company will exercise the shareholders' rights appropriately in order to establish effective management system in the Target Company.

Given the foregoing, the Company and the Target Company agreed in the MOU to implement the following measures in respect of the management structure of the Target Company after the completion of the Dual Tender Offers, which measures would be effectuated on and after the ordinary shareholders meeting of the Target Company scheduled for June 2016. For your information, no specific officer candidates whose names are to be submitted to the said shareholders meeting have yet been determined:

- Three individuals designated by the Company shall be presented to said shareholders meeting as the nominees to be appointed as the members of the board of directors of the Target Company;
- The total number of directors after said shareholders meeting shall be ten, in principle.
- One individual designated by the Company shall be presented to said shareholders meeting as the nominee to be appointed as a corporate auditor of the Target Company;
- The total number of corporate auditors after said shareholders meeting shall be four, in principle.
- One representative director of the Target Company shall be appointed from among the directors as designated by the Company;
- The corporate name of the Target Company shall be changed to "Sompo Care Message, Inc."; and
- The branding of the nursing care businesses of the Target Company shall be determined through mutual discussion between the Company and the Target Company.

The Company and the Target Company agreed in the MOU that, after making the Target Company a Subsidiary, they would determine the arrangements concerning management of the Target Company.

(3) Determination of the First Tender Offer Price

Since it is assumed that only the Prospective Tendering Shareholders will apply to the First Tender Offer, when determining the First Tender Offer Price, the Company conducted arm's length negotiations with the Prospective Tendering Shareholders multiple times during and after late October 2015 and, in the Tender Offer Agreement dated December 18, 2015, the Company reached an agreement to acquire the Prospective Tendered Shares (6,964,800 shares; Shareholding Ratio: 34.69%) at the price of 2,500 yen per share. Consequently, the Company determined the First Tender Offer Price to be 2,500 yen per share. As to the details of the determination of the First Tender Offer Price, please refer to "Basis of Calculation" and "Background of Calculation" of "(2) Tender Offer Price" of "4. Tender Offer Period, Price and Number of Shares to be Purchased in the Tender Offer" below.

(4) Matters Concerning Material Agreements Related to the Dual Tender Offers

a. MOU

With regards to the Dual Tender Offers, the Company and the Target Company executed the MOU as of December 18, 2015. The MOU provides for the purpose and background, etc. of Making the Target Company a Subsidiary stated in “(1) Overview of the Tender Offer” above and management policy, etc. stated in “(ii) Management Policy after the Dual Tender Offers” of “(2) Purpose and Background of the Dual Tender Offers, and Management Policy after the Dual Tender Offers”, above. Under the MOU, the Target Company agrees that (i) if the Company determines to commence the Second Tender Offer, the Target Company will legally and validly make, at a meeting of the Target Company’s board of directors, a resolution to express an opinion to the effect that the Target Company will support the Second Tender Offer and that, although it is considered that the Second Tender Offer Price has a certain degree of reasonableness, the decision as to whether to apply for the Second Tender Offer will be deferred to each of its shareholders (the “Resolution Expressing Support for the Second Tender Offer”) and will thereafter announce such resolution, (ii) the Target Company will change or revoke neither the resolution to express an opinion in support of the First Tender Offer (the “Resolution Expressing Support”) nor the Resolution Expressing Support for the Second Tender Offer, (iii) the Target Company will not directly or indirectly induce or solicit a third party to make an offer for a transaction that conflicts or is likely to conflict with the Dual Tender Offers or Making the Target Company a Subsidiary or provide a third party with information regarding such transaction, and (iv) the Target Company will execute its business or cause its subsidiaries and affiliates to execute their business within the ordinary scope of business until the management structure of the Target Company is established after Making the Target Company a Subsidiary (the matters set forth in (i) through (iv) above are hereinafter referred to as the “MOU Covenants”); provided, however, that if it is reasonably considered that the performance of the obligations of (i) and (ii) above by the Target Company’s board of directors is likely to cause each director and corporate auditor of the Target Company to be in violation of their duty to exercise the due care of a prudent manager, the Target Company will not be obliged to perform such obligations. In addition, if the Target Company presents to the Company a reasonable reason that the performance of the obligation of (iii) above by the Target Company’s board of directors is likely to cause each director and corporate auditor of the Target Company to be in violation of their duty to exercise the due care of a prudent manager in relation to the examination of a competing proposal from a third party, the Company will provide reasonable cooperation not to cause each director and corporate auditor of the Target Company to be in violation of such duty to exercise the due care of a prudent manager.

The details of the Conditions Precedent set forth in the MOU, which are the conditions precedent for the Company’s obligation to launch the Second Tender Offer after the consummation of the First Tender Offer, are as stated below. The Company may, at its discretion, launch the Second Tender Offer after waving all or part of the Conditions Precedent.

(a) No new event that falls within any of the events of cancellation of the application for the Second Tender Offer as set forth in laws and regulations has occurred or has been discovered;

(b) At a meeting of the Target Company’s board of directors, the Resolution Expressing Support for the Second Tender Offer has been legally and validly made and has been announced and such resolution has not be changed or revoked;

(c) There is no prospect that the purpose of the MOU will not be achieved because the obligations (Note 1) to be performed or complied with by the Target Company under the MOU have not been performed or complied with in any material respect;

(d) The matters (Note 2) that the Target Company represents and warrants to the Company as of the execution date of the MOU and the commencement date of the Second Tender Offer are true and correct in all material respect, or any breach of the Target Company's representations and warranties will not have a material adverse effect on the completion of the Second Tender Offer;

(e) Except for the matters that the Company has recognized or may recognize prior to the execution date of the MOU, no event or matter that has a material adverse effect on the businesses, assets, liabilities, financial conditions, operating results, cash flow status, or future earnings plans of the Target Company Group has occurred or been discovered or is likely to occur or be discovered;

(f) There is no law or regulation, or order, disposition or judgment by a court or other judicial, administrative or self-regulatory agency that places restrictions on or prohibits the launch of or the application for the Second Tender Offer, and there is no pending petition, litigation or procedure that is likely to have a material adverse effect on the launch of the Second Tender Offer;

(g) There is no material fact regarding the Target Company, as defined in Article 166, Paragraph 2 of the Act, and no fact regarding the launch or suspension of a tender offer, etc., as defined in Article 167, Paragraph 2 of the Act (collectively, the "Target Company's Material Facts") that has not yet been announced (except for cases where the Second Tender Offer falls under the case set forth in each item of Article 166, Paragraph 6 of the Act or each item of Article 167, Paragraph 5 of the Act);

(h) (x) The notification of the plan for the acquisition of shares (as set forth in Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Act No. 54 of 1947, as amended; the "Anti-Monopoly Act"), which is necessary for the Second Tender Offer, has been accepted by the Japan Fair Trade Commission (the "JFTC") and (y) the Company has received no request for report, etc. as set forth in Article 10, Paragraph 9 of the Anti-Monopoly Act or notice as set forth in Article 50 of the Anti-Monopoly Act from the JFTC; and

(i) At the time of Making the Target Company a Subsidiary, the notification regarding the acquisition of shares that the Company is required to make (pursuant to the provisions of Article 271-32, Paragraph 2, Item 3 of the Insurance Business Act) has been or will certainly be, completed without adversely affecting the execution of Making the Target Company a Subsidiary.

However, with respect to the above-listed items (d) and (e), it is considered that the terms and conditions of each of such items have been satisfied unless it is reasonably deemed that the Company's launch of the Second Tender Offer is likely to cause the Company's respective directors or corporate auditors to be in violation of their duty to exercise the due care of a prudent manager in a situation where any fact that is inconsistent with the terms and conditions set forth in each of such items has arisen.

(Note 1) Under the MOU, the Target Company assumes, in addition to an obligation regarding the MOU Covenants and a confidentiality obligation, (i) an obligation that if, on and after the execution date of the MOU, any matter having a material adverse effect on the Target Company Group's property conditions or business operation arises or the Target Company becomes aware that such matter is threatened to arise or if, on and after the execution date of the MOU, the Target Company becomes aware of any actual or threatened breach of its representations and warranties, the Target Company will give written notice of such matter or breach to the Company and (ii) an obligation to indemnify the Company for any damage, loss or expense incurred by the Company arising out of or in relation to any breach of the Target Company's representations and warranties set forth in (i) through (viii) of (Note 2) below and/or any breach of its obligations under the MOU.

(Note 2) Under the MOU, the Target Company represents and warrants that as of the execution date of the MOU and the respective dates of the commencement and settlement of the

First Tender Offer and the Second Tender Offer (i) the Target Company is a corporation duly organized and validly existing, (ii) the Target Company has corporate power and authority necessary to execute and perform the MOU and has completed corporate procedures required for the execution and performance of the MOU, (iii) the MOU has been executed lawfully and validly and is enforceable against the relevant parties, (iv) any permit, approval or license or any other action that is required to be obtained in connection with the execution and performance of the MOU has been obtained or taken, (v) the execution and performance of the MOU are not in violation of any laws or regulations, internal rules, agreements or judicial or administrative agency judgments that are applicable to the Target Company, (vi) no petition for commencement of legal insolvency proceedings has been filed with respect to the Target Company, (vii) the total number of issued shares of the Target Company's common stock is 20,080,000 shares as of the execution date of the MOU, which have been legally and validly issued in their entirety, and there are no agreements or other arrangements that may require the issuance or disposition of the shares of the Target Company Group or the purchase or cancellation of such shares in whole or in part, and (viii) the Target Company Group or its officers and employees have and are expected to have no direct or indirect relationship with antisocial forces and, furthermore, the Target Company represents and warrants in respect of (ix) the matters regarding the Target Company Group's (a) scope of subsidiaries and related companies, (b) material agreements, (c) assets (including real estate and intellectual properties), (d) litigation and disputes, (e) permits, approvals or licenses, (f) accuracy of its securities reports and other relevant reports and its financial statements, (g) taxes, (h) payment of long-term care insurance benefits, (i) accidents, (j) compliance with laws and regulations, (k) accuracy of disclosed information, and (l) non-existence of undisclosed material facts.

Further, under the MOU, in the case where the Tender Offer is completed, and when the Second Tender Offer is not commenced until January 29, 2016, the Company and the Target Company shall discuss, in good faith, the subsequent response (including the handling of the Target Company Shares, which the Prospective Tendering Shareholders tendered in the First Tender Offer, when the Second Tender Offer is not commenced due to an event attributable to the Company (limited to the case where the Company breaches its obligations under the MOU)).

b. Tender Offer Agreement

In preparation for the First Tender Offer, the Company has entered into an agreement with the Prospective Tendering Shareholders, which include Mr. Toshiaki Hashimoto, the representative director and chairman of the Target Company, as of December 18, 2015 to the effect that the Prospective Tendering Shareholders shall tender all shares held by them as of the filing date of this Statement (the number of the Target Company Shares held by Higashiune Shoji is 5,800,000 (Shareholding Ratio: 28.88%); the number of the Target Company Shares held by Ms. Takae Hashimoto is 600,000 (Shareholding Ratio: 2.99%); and the number of the Target Company Shares held by Mr. Toshiaki Hashimoto is 564,800 (Shareholding Ratio: 2.81%). The total number of shares held by the Prospective Tendering Shareholders is 6,964,800, representing a total Shareholding Ratio of 34.69%).

The Tender Offer Agreement sets forth the following conditions precedent for application by the Prospective Tendering Shareholders. The Prospective Tendering Shareholders may, at their discretion, apply for the First Tender Offer after waiving all or part of these conditions precedent.

(a) The First Tender Offer has commenced legally and validly, and has not been withdrawn;

(b) At a meeting of the Target Company's board of directors, a resolution to express the opinion to the effect that the Target Company supports the First Tender Offer has been legally and validly made with unanimous approval of all directors that participated in the resolution, such resolution has been announced, such opinion has not be changed or withdrawn, and it is surely anticipated that the Second Tender Offer Support Expressing Resolution will be legally and validly made;

(c) Representations and warranties of the Company set forth in the Tender Offer Agreement (Note 1) are true and correct in any material respect;

(d) The Company does not breach the obligations set forth in the Tender Offer Agreement (Note 2) in any material respect;

(e) there is no law or regulation, or order, disposition or judgment by the Judicial or Administrative Agency or any other authorized organization that place restrictions on or prohibits the launch of the First Tender Offer or the application for the First Tender Offer by the Prospective Tendering Shareholders;

(f) Any specific event that precludes launch of the Second Tender Offer has occurred; and

(g) There is no Target Company's Material Facts that has not yet been announced, which will become known to the Prospective Tendering Shareholders only after the commencement of the First Tender Offer (except for cases where the sale of the Prospective Tendered Shares by the Prospective Tendering Shareholders through application to the Tender Offer does not breach Article 166 or Article 167 of the Act).

(Note 1) The Company represents and warrants, by the Tender Offer Agreement, as of the execution date of the Tender Offer Agreement and each of the commencement and settlement dates of the First Tender Offer that (i) the Company is a corporation duly organized and validly existing, (ii) the Company has corporate power and authority necessary to execute and perform the Tender Offer Agreement and has completed corporate procedures required for the execution and performance of the Tender Offer Agreement, (iii) the Tender Offer Agreement has been lawfully and validly executed and is enforceable against the relevant parties, (iv) procedures to obtain permits, approvals or licenses required in connection with the execution and performance of the Tender Offer Agreement have been completed and such permits, etc. have been obtained, (v) the execution and performance of the Tender Offer Agreement are not in violation of any laws or regulations, internal rules, agreements and decisions of judicial or administrative agencies that are applicable to the Company, and (vi) there does not exist any of relationship with antisocial forces and/or claims made using forceful behavior or acts of violence.

(Note 2) The Company assumes, in addition to an obligation to commence the First Tender Offer and a confidentiality obligation, an obligation (i) to make the utmost effort to ensure satisfaction of the conditions precedent for the obligations of the Prospective Tendering Shareholders (except for (b) and (g) above), (ii) to immediately give the Prospective Tendering Shareholders a written notice if, by the settlement date of the First Tender Offer, (A) there is any breach of the representations and warranties stated in Note 1 above or any breach of obligation under the Tender Offer Agreement, (B) it becomes impossible to satisfy the conditions precedent for performance of obligation by the Prospective Tendering Shareholders, or (C) any specific event that may reasonably trigger any of such situations occurs, and (iii) to indemnify the damage, loss or expense incurred by the Prospective Tendering Shareholders arising out of or in relation to any breach of the Company's representations and warranties stated in Note 1 above and/or breach of its obligations under the Tender Offer Agreement by the Company.

(5) Matters Concerning the Second Tender Offer

a. Outline of the Second Tender Offer

As stated in “(1) Overview of the Tender Offer” above, after the completion of the First Tender Offer, the Company intends to launch the Second Tender Offer with respect to all of the Target Company Shares, with the main aim of acquiring the Target Company Shares held by shareholders of the Target Company other than the Prospective Tendering Shareholders and thereby completing Making the Target Company a Subsidiary. The Company and the Target Company entered into the MOU as of December 18, 2015, and under the MOU, if the Conditions Precedent are satisfied, the Company is obliged to conduct the Second Tender Offer promptly after the settlement of the First Tender Offer; however, if the Conditions Precedent are not satisfied, the Company may not conduct the Second Tender Offer. As to the details of the MOU and the Conditions Precedent, please refer to “a. MOU” of “(4) Matters Concerning Material Agreements Related to the Dual Tender Offers” above. The Second Tender Offer provides an opportunity for shareholders of the Target Company other than the Prospective Tendering Shareholders to sell the Target Company Shares at the price (i) that is 1,000 yen (40.00%) higher than the First Tender Offer Price (2,500 yen) and (ii) that can be obtained by adding 48.68% premium to the closing price of the Target Company Shares on JASDAQ on December 17, 2015 (2,354 yen), which is the immediately preceding business day of the announcement date of the First Tender Offer (rounded to the nearest hundredth of a percent; the same applies to the calculation of a premium rate and a discount rate). The Transactions are not to be implemented with an intention to delist the Target Company Shares, and the Company and the Target Company intend to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers as well; however, from the perspective of ensuring the opportunity for shareholders of the Target Company, other than the Prospective Tendering Shareholders who wish to sell the Target Company Shares at the Second Tender Offer Price, no maximum or minimum number would be set on the number of shares intended to be purchased at the Second Tender Offer.

The tender offer period for the Second Tender Offer (the “Second Tender Offer Period”) will be from January 29, 2016 to February 29, 2016 (i.e., 21 business days). The commencement date of the Second Tender Offer Period may be delayed or the Second Tender Offer Period may be changed if the Company extends the tender offer period for the First Tender Offer (the “First Tender Offer Period” or the “Tender Offer Period”) for any compelling reason or there is any other compelling equivalent reason for such extension of the Tender Offer Period. In such cases, the Company will commence the Second Tender Offer as soon as practically possible.

If the First Tender Offer fails to complete, the Company will not conduct the Second Tender Offer.

b. Reasons for Conducting Staggered Tender Offers

As stated in “c. Reasons for Difference between the First Tender Offer Price and the Second Tender Offer Price” below, as for the Transactions, the Prospective Tendering Shareholders have agreed that they would receive a lower price per share of the Target Company Shares than what would be received by other shareholders of the Target Company. However, under the Act, it is not allowed to offer different prices in one tender offer with respect to the identical class of shares. It is also pointed out that it is not allowed in practice under the Act that a single tender offeror simultaneously conducts multiple tender offers with different prices.

Therefore, the Company will conduct staggered tender offers: i.e., (a) the First Tender Offer that aims to acquire the Prospective Tendered Shares at a price lower than the Second Tender Offer

Price and (b) the subsequent Second Tender Offer that aims to acquire shares from shareholders of the Target Company other than the Prospective Tendering Shareholders at a price higher than the First Tender Offer Price.

Since the Company is planning to conduct the Transactions on the assumption that the Company is able to acquire the Prospective Tendered Shares from the Prospective Tendering Shareholders at the First Tender Offer Price, which is lower than the Second Tender Offer Price, in order to ensure the certainty of the acquisition of the Prospective Tendered Shares at the First Tender Offer Price from the Prospective Tendering Shareholders, the Company will first conduct the First Tender Offer with the aim to acquire the Prospective Tendered Shares, and subsequently, the Company will conduct the Second Tender Offer with the aim to acquire the Target Company Shares held by shareholders of the Target Company other than the Prospective Tendering Shareholders at the price higher than the First Tender Offer Price.

c. Reasons for Difference between the First Tender Offer Price and the Second Tender Offer Price

The Company conducted arm's length negotiations with the Prospective Tendering Shareholders and reached an agreement to acquire the Prospective Tendered Shares at the First Tender Offer Price (2,500 yen per share). In parallel with such negotiation with the Prospective Tendering Shareholders, for the purpose of providing shareholders of the Target Company other than the Prospective Tendering Shareholders with opportunities to sell the Target Company Shares at a price with a premium over the current market price, the Company consulted and negotiated with the Target Company about acquisition of the Target Company Shares held by such shareholders at a price higher than the First Tender Offer Price.

On that basis, as stated in "d. Determination of Second Tender Offer Price" below, the Company finally determined on December 18, 2015 to set the Second Tender Offer Price to be 3,500 yen, by taking into consideration the share valuation results stated in the share valuation report concerning valuation of the Target Company Shares (the "Share Valuation Report") received as of December 17, 2015 from Mizuho Securities Co., Ltd. ("Mizuho Securities") and comprehensively taking into account such factors as (i) the result of due diligence of the Target Company conducted by the Company, (ii) examples of premiums actually placed in tender offers conducted by parties other than issuers, (iii) market prices of the Target Company Shares for past three (3) months, (iv) results of consultations and negotiations with the Target Company, (v) whether the Target Company's board of directors would support the Second Tender Offer and (vi) prospects of the shareholders' applications for the Second Tender Offer.

As stated above, the difference between the First Tender Offer Price and the Second Tender Offer Price is due to the following reasons: (a) they are the prices determined as a result of negotiations by the Company with different parties with different aims; (b) the Prospective Tendering Shareholders intend to sell the Target Company Shares held by them at a price lower than the purchase price offered by the Company to other shareholders of the Target Company from the perspective of giving support to the attainment of Making the Target Company a Subsidiary, because, if it is attained, it enhances the collaborative relationship between the Company and the Target Company and thereby facilitates proactive implementation of measures for the improvement of the corporate value of the Target Company and, as a result, contributes to the improvement of the corporate value of the Target Company; and (c) the Prospective Tendering Shareholders have agreed that they would receive a lower price per share of the Target Company Shares than what would be received by other shareholders of the Target Company.

d. Determination of Second Tender Offer Price

In determining the Second Tender Offer Price, the Company requested Mizuho Securities, which is a third-party appraiser independent from the Company and the Target Company, to conduct a valuation of the shares of the Target Company, and referred to the Share Valuation Report received as of December 17, 2015. The Company has not obtained any opinion on the fairness of the Second Tender Offer Price (a fairness opinion) from Mizuho Securities.

Mizuho Securities calculated the value of the Target Company Shares by using the average market price method and the Discounted Cash Flow method (the “DCF method”). The ranges of the per-share value of shares of the Target Company, as calculated under each of the above methods, are as follows:

Average market price method:	2,352 yen to 3,202 yen
DCF Method:	3,240 yen to 4,269 yen

Under the average market price method, by setting the base date for the valuation as December 17, 2015, the range of the per share value of the Target Company’s shares was calculated to be 2,352 yen to 3,202 yen per share, based upon the closing price on the base date (2,354 yen), and the simple average closing price for the one (1) week (2,352 yen) (rounding off amounts that are less than 1 yen; the same applies to the calculation of the simple average closing price), the one (1) month (2,745 yen), the three (3) months (2,772 yen) and the six (6) months (3,202 yen) immediately prior to the base date of the Target Company’s shares on the JASDAQ.

Under the DCF method, Mizuho Securities calculated the value of the Target Company shares by discounting the cash flows that the Target Company is expected to generate in or after the fiscal year ending March 2016 to present value, using certain discount rates, and determined the range of the per-share value of the Target Company to be 3,240 yen to 4,269 yen. It was based on assumptions derived from multiple sources, including the Target Company’s business plans from the fiscal year ending March 2016 to the fiscal year ending March 2025, the trends of business achievement of the Target Company in the previous fiscal year, and publicly available information. As for the financial forecasts concerning the Target Company that constitute the assumption on which the DCF method is based, there is no business year for which a substantial increase or decrease of profits is anticipated.

The Company finally determined on December 18, 2015 to set the Second Tender Offer Price to be 3,500 yen, by taking into consideration the share valuation results stated in the Share Valuation Report received from Mizuho Securities and comprehensively taking into account such factors as (i) the result of due diligence of the Target Company conducted by the Company, (ii) examples of premiums actually placed in tender offers conducted by parties other than issuers, (iii) market prices of the Target Company Shares for past three (3) months, (iv) results of consultations and negotiations with the Target Company, (v) whether the Target Company’s board of directors would support the Second Tender Offer and (vi) prospects of the shareholders’ tenders for the Second Tender Offer.

The Second Tender Offer Price (3,500 yen) is the price that can be obtained by adding (i) 48.68% premium to the closing price of the Target Company Shares on JASDAQ on December 17, 2015 (2,354 yen), which is the immediately preceding business day of the announcement date of the First Tender Offer, (ii) 27.50% premium to the simple average closing price for the one (1)-month period ending on the said date (2,745 yen), (iii) 26.26% premium to the simple average closing price for the three (3)-month period ending on the said date (2,772 yen) and (iv) 9.31% premium to the simple average closing price for the six (6)-month period ending on the said date (3,202 yen), respectively.

The Second Tender Offer Price (3,500 yen per share) is the price that can be obtained by adding 22.63% premium to the closing price of the Target Company Shares on JASDAQ on December 18, 2015 (2,854 yen), which is the immediately preceding business day of the filing date of this

Statement. On the same day, before the Company had announced the Transactions, there were news articles speculating that the Transactions would be conducted, and the closing price of the Target Company Shares on the same day rose by 500 yen compared with the closing price of the Target Company Shares on the immediately preceding business day.

(6) Measures to Ensure the Fairness of the Dual Tender Offers Including Those to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

According to the Notice by the Target Company, upon the resolution by the Target Company with respect to the issuance of its opinion on the Dual Tender Offers and the execution of the MOU, the Target Company took the following measures to deliberately consider the Dual Tender Offer and to ensure the fairness and appropriateness of the Dual Tender Offer, considering the fact that the Company and the Prospective Tendering Shareholders, who are principal shareholders including a major and the largest shareholder, entered into the Tender Offer Agreement and that it is possible that the interests of the Company and that of the Prospective Tendering Shareholders do not necessarily match.

a. Advice from Independent Law Firm by the Target Company

According to the Notice by the Target Company, the Target Company received legal advice regarding the decision-making process, methods to make decisions when expressing its opinion regarding the Dual Tender Offers and other matters upon implementing the Transactions from Anderson Mori & Tomotsune, a legal advisor independent from the Target Company and the Company, in order to ensure the fairness and appropriateness of the decision-making by the board of directors of the Target Company concerning the Transactions including the Dual Tender Offers.

b. Obtaining Share Valuation Reports from Independent Third-party Appraiser of the Target Company

According to the Notice by the Target Company, in considering the Second Tender Offer Price presented by the Company and determining its opinion on the Second Tender Offer, the Target Company requested Nomura Securities, which is a third-party appraiser independent from the Target Company and the Company, to conduct a valuation of the share value of the shares of the Target Company. Nomura Securities is not a related party of the Target Company or the Company, and does not have any material interest regarding the Dual Tender Offers.

After considering the analysis methods appropriate for the valuation of the shares of the Target Company from a number of share valuation methods, and based on the assumption that the Target is a going concern and the idea that it is appropriate to value the shares of the Target Company from various perspectives, Nomura Securities conducted the valuation of shares by using the (a) average market price method taking into consideration of the trends of a market price and (b) DCF Method taking into consideration details or forecasts of financial results of the Target Company, and the Target Company obtained share valuation report on share value of the Target Company (the "Target Company's Share Valuation Report") on December 17, 2015. The Target Company has not obtained any opinion on the fairness of the Second Tender Offer Price (a fairness opinion) from Nomura Securities.

According to the Target Company's Share Valuation Report, the adopted methods and the ranges of the per-share value of shares of the Target Company, as calculated under the relevant methods, are as follows:

Average market price method:	2,352 yen to 2,772 yen
DCF Method:	3,005 yen to 4,759 yen

Under the average market price method, by setting the base date for the valuation as December 17, 2015, the range of per share value of the Target Company's shares was analyzed to be 2,352 yen to 2,772 yen per share, based upon the closing price on the base date (2,354 yen), and the simple average closing price for the past five (5) business days (2,352 yen), the past one (1) month (2,745 yen), and the past three (3) months (2,772 yen) immediately prior to the base date of the Target Company's shares on the JASDAQ.

Under the DCF method, Nomura Securities analyzed the corporate value or share value of the Target Company by discounting the free cash flows that the Target Company is expected to generate in or after the third quarter of fiscal year ending March 2016, to present value using certain discount rates and analyzed the range of per-share value of the Target Company to be 3,005 yen to 4,759 yen. It was based on assumptions derived from multiple sources, including profit and investment projects in the Target Company's business plans from the fiscal year ending March 2016 to the fiscal year ending March 2021, and publicly available information.

In addition, no significant increases or decreases in profit are anticipated in the forecast of the Target Company's financial results used for analysis of the DCF Method. Business plans, on which the DCF Method was based, were not based on the assumption of implementing the Dual Tender Offers, and thus, effects of various measures after the Dual Tender Offers are not taken into consideration.

- c. Unanimous Approval by the Non-Interested Directors and No Objection from Corporate Auditors of the Target Company

According to the Notice by the Target Company, based on the legal advice from Anderson Mori & Tomotsune, terms and conditions of the Transactions including the Dual Tender Offers and the contents of the Target Company's Share Valuation Report obtained from Nomura Securities, the Target Company resolved, at the board of directors' meeting of the Target Company held on December 18, 2015, as follows:

The Target Company entered into a capital and business alliance with the Company in March 2015, and since then, it has made efforts to develop and disseminate valuable new services for elderly people and their families by merging its knowhow of comprehensive nursing care services with the broad network held by the Company. In the nursing service industry, although a demand increase is anticipated and the social significance of the industry is increasing year by year, the business environment is becoming more severe due to various factors, including the need to respond to social demand (e.g., changes in the fees for nursing care under the nursing care insurance system) and entry into the market by competitors from other industries. The present challenge of the Target Company is to enhance its competitiveness by strengthening its administration system (including securing and training human resources) and improving the business efficiency and sophistication of its provided services. Under this business environment, the Target Company believes that deepening its alliance with the Company's group, which is enhancing its efforts in the nursing care market, and with which the Target Company has already formed an alliance, would greatly contribute to increasing the corporate value of the Target Company. Specifically, as stated in "a. Purpose and Background of Decision to Conduct the Dual Tender Offers" of "(2) Purpose and Background of Decision to Conduct the Dual Tender Offers and Management Policy After the Dual Tender Offers" above, the Target Company determined that it can further increase its corporate value through (a) establishment of internal controls aimed at improvement of quality of nursing care service, (b) utilization of information and communication technology and digital technology, (c) enhanced productivity by unification and integration of business, (d) improvement

of working conditions of the help staff and promotion of their recruiting and training, (e) collaboration with the nursing care business committee of the Company's group, and (f) collaboration in new business generation. The Target Company reached the conclusion that, in order to continue to flexibly enhance its management amid a drastically changing market environment, it would be desirable to build a management structure under which the Target Company and the Company can mutually provide and utilize the business infrastructure, business knowhow and management resources of the other party while the Target Company maintains a certain degree of autonomy and independence, and therefore, Making the Target Company a Subsidiary is the best measure to take in order to increase corporate value of the Target Company. The Target Company believes that this measure will enable the Target Company (i) to strengthen its management base, and compliance and administration system by further utilizing management resources of the Company, (ii) to maintain flexible fund-raising ability and social credibility because the Target Company's shares would continue to be listed, and (iii) to allow its stakeholders enjoy the benefit of the Target Company's increased corporate value.

Further, the Target Company withheld the decision of the appropriateness regarding the First Tender Offer Price and determined that it is appropriate to defer to the decision of each shareholder of the Target Company as to whether to apply for the First Tender Offer, given that (i) the First Tender Offer Price is agreed between the Prospective Tendering Shareholders and the Company upon their negotiation, and it is assumed that only the Prospective Tendering Shareholders will apply for the First Tender Offer, and on the other hand, it is assumed that shareholders other than the Prospective Tendering Shareholders will not apply therefor, and (ii) for shareholders other than the Prospective Tendering Shareholders, the Company will conduct the Second Tender Offer, the tender offer price for which is a higher price than the First Tender Offer Price, promptly after the settlement of the First Tender Offer. With respect to the Second Tender Offer Price, the board of directors of the Target Company determined, at its meeting, that it will defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer, given that the Second Tender Offer Price has a certain degree of reasonableness based on the Target Company's Share Valuation Report obtained from Nomura Securities, and that the Transactions are not to be implemented with an intention to delist the Target Company Shares, and the Company and the Target Company intend to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers.

The Target Company, based on each of the above decisions, resolved, at the board of directors' meeting of the Target Company held on December 18, 2015, that the Target Company would issue an opinion in support of the First Tender Offer, withhold its opinion concerning the appropriateness of the First Tender Offer Price, and defer to the decision of each shareholder of the Target Company as to whether to apply for the First Tender Offer. Furthermore, with respect to the Second Tender Offer, as of December 18, 2015, the board of directors of the Target Company resolved, at its meeting, that the Target Company is in support of the Second Tender Offer if the Second Tender Offer is to be conducted and defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer.

Of the seven (7) directors of the Target Company, all of the directors excluding Mr. Toshiaki Hashimoto, six (6) directors, participated in the above board of directors' meeting of the Target Company. All of the above resolutions of the Target Company's board of directors' meeting were adopted by a unanimous vote of all Directors present. Regarding the decision-making on the Dual Tender Offers at the board of the directors of the Target Company, since Mr. Toshiaki Hashimoto has entered into the Tender Offer Agreement with the Company, he did not participate in the discussion or resolution, and did not attend the above board of directors' meeting, in order to enhance the fairness and the objectivity in the process of decision-making at the Target Company's board of directors' meeting regarding the Dual Tender Offers and the MOU, and to avoid conflicts of interest.

Further, all three (3) corporate auditors of the Target Company attended the above board of

directors' meeting of the Target Company, and stated that they had no objections to the above resolutions.

(7) Plans to Acquire Additional Shares of the Target Company following the Dual Tender Offers

After the completion of the Dual Tender Offers, the Company plans to acquire the Target Company's shares that are held by Sompo Japan Nipponkoa, a wholly-owned subsidiary of the Company, through dividend of surplus or other methods.

Since the Company aims at making the Target Company a consolidated subsidiary through the Transactions, in the case where the Company is able to acquire a majority of the voting rights of the Target Company's shares (10,060,100 shares, Shareholding Ratio: 50.10%) through the Dual Tender Offers, at present, the Company does not plan to acquire additional shares of the Target Company, other than the acquisition from above Sompo Japan Nipponkoa. On the other hand, in the case where the Company is unable to acquire a majority of the voting rights of the Target Company's shares through the Dual Tender Offers, the Company plans to discuss a policy with the Target Company, and at present, a specific policy has not been determined; however, the Company plans to consider a response, including the possibility of acquiring additional shares of the Target Company, taking into consideration the situation after the Dual Tender Offers. If the First Tender Offer has not been completed, the Company will not implement the Second Tender Offer.

(8) Prospects of Delisting

As of the filing date of this Statement, the Target Company Shares are listed on JASDAQ. The Transactions are not intended to delist the Target Company Shares and the Company and the Target Company plan to maintain the Target Company Shares listed after the completion of the Dual Tender Offers. The Company is launching the First Tender Offer subject to a maximum number of shares to be purchased of 9,336,400 shares (Shareholding Ratio: 46.50%), and therefore, listing of the Target Company Shares is expected to be maintained after the completion of the First Tender Offer. On the other hand, the Company plans to launch the Second Tender Offer through which the Company plans to purchase the Target Company Shares that are held by shareholders of the Target Company other than the Prospective Tendering Shareholders. The Company does not plan to set a maximum and minimum number of shares to be purchased for the Second Tender Offer in order to provide an opportunity for all shareholders of the Target Company, other than the Prospective Tendering Shareholders, to sell shares at the Second Tender Offer Price.

For this purpose, depending on the result of the Second Tender Offer, the Target Company Shares may be delisted through the prescribed procedures when the Target Company Shares meet any of the following JASDAQ delisting criteria or any other delisting criteria: (a) in the case where the number of shareholders becomes less than 150 as of the end of the fiscal year and the number of shareholders does not become more than 150 within one (1) year, (b) in the case where the number of tradable shares (the number of listed shares after deducting (i) the number of shares held by officers (directors, accounting advisors, corporate auditors and executive officers), (ii) number of shares held by shareholders holding at least 10% of the number of issued shares (excluding shares clearly identified as not being held under stable ownership) and (iii) treasury shares) becomes less than 500 units as of the end of the fiscal year and the number of tradable shares does not become more than 500 units within one (1) year, and (c) in the case where the market capitalization of tradable shares becomes less than JPY 250 million and the market capitalization of tradable shares does not become more than JPY 250 million within one (1) year.

As a result of the Second Tender Offer, if the Target Company Shares fall within the delisting criteria for any reason, the Company will, upon discussion and consideration with the Target Company in good faith with respect to measures to avoid delisting such as off-auction distribution or offering, implement measures agreed to continuously maintain listing of the Target Company Shares within one (1) year, which is the grace period for delisting. No matters are determined at

present with respect to the specific response, details of implementation and terms and conditions of the above measures.

4. 【Tender Offer Period, Price and Number of Shares to be Purchased in the Tender Offer】

(1) Tender Offer Period

- a. Tender Offer Period as of the time of filing of the Registration Statement (Japan standard time)

Tender Offer Period	From Monday, December 21, 2015 through Monday, January 25, 2016 (20 business days in Japan)
Date of Public Notice	Monday, December 21, 2015
Name of Newspaper for Public Notice	Public disclosure will be made electronically, and a notice of such disclosure will be published in the <i>Nihon Keizai Shimbun</i> . EDINET (electronic disclosure for investors' network): (http://disclosure.edinet-fsa.go.jp/)

(Note) As December 29 and December 30, 2015 fall on holidays of administrative organs pursuant to Article 8, Paragraph 1 of the Enforcement Order and Article 1, Paragraph 1, Item 3 of the Act on Holidays of Administrative Organs, those days are not included in the Tender Offer Period; however, the Tender Offer Agent shall accept applications from shareholders wishing to tender their shares in the Tender Offer (“Tendering Shareholders”) made by the method stated in “7. Method of Application for the Tender Offer and Cancellation thereof”, below, also on December 29 and December 30, 2015, which are days not included in the Tender Offer Period.

- b. Possible extension of the Tender Offer Period based on the Target Company’s request

If the Target Company submits an opinion report requesting an extension of the Tender Offer Period pursuant to Article 27-10, Paragraph 3 of the Act, the Tender Offer Period shall be extended to 30 business days in Japan, until Monday, February 8, 2016.

- c. Contact information in case of extension of the Tender Offer Period

Sompo Japan Nipponkoa Holdings, Inc.
26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
Telephone: 81-3-3349-6542
Isao Yano, General Manager of the Nursing Care Business Department
Hours: between 9:00 and 17:00 on weekdays

(2) Tender Offer Price

Shares	¥2,500 per share of common stock
Certificate of Stock Acquisition Rights	—
Bond with Stock Acquisition Rights	—
Trust Beneficiary Certificates for Shares	—

Depository Receipts for Shares	—
Basis of Calculation	<p>During and after late October 2015, the Company conducted arm's length negotiations with the Prospective Tendering Shareholders multiple times and reached an agreement to acquire all of the Target Company Shares held by the Prospective Tendering Shareholders (the total number of shares held by the Prospective Tendering Shareholders is 6,964,800; and the total Shareholding Ratio is 34.69%) at the price of 2,500 yen per share. Consequently, the Company determined the First Tender Offer Price to be 2,500 yen per share. The Company has not obtained any valuation report from an independent third-party appraiser when determining the First Tender Offer Price because, as stated above, the First Tender Offer Price determined by the Company is the price agreed upon through negotiations with the Prospective Tendering Shareholders.</p> <p>The First Tender Offer Price is the price of (i) 6.20% premium from the closing price of the Target Company Shares on JASDAQ on December 17, 2015 (2,354 yen), which is the immediately preceding business day of the announcement date of the First Tender Offer, (ii) 8.93% discount from the simple average closing price for the past one (1) month (2,745 yen), (iii) 9.81% discount from the simple average closing price for the past three (3) months (2,772 yen), and (iv) 21.92% discount from the simple average closing price for the past six (6) months (3,202 yen). It is also the price of 12.40% discount from the closing price of the Target Company Shares on JASDAQ on December 18, 2015 (2,854 yen), which is the immediately preceding business day of the filing date of this Statement. On the same day, before the Company had announced the Transactions, there were news articles speculating that the Transactions would be conducted, and the closing price of the Target Company Shares on the same day rose by 500 yen compared with the closing price of the Target Company Shares on the immediately preceding business day.</p> <p>The First Tender Offer Price has a difference of 773 yen from the price at which Sompo Japan Nipponkoa, a subsidiary of the Company, acquired the Target Company Shares from Mr. Toshiaki Hashimoto, who is the founder of the Target Company in relation to the Alliance with the Target Company in March 2015 (3,273 yen per share, which was, for the five (5) consecutive business days that end on February 26, 2015, the average closing price of the Target Company Shares on JASDAQ at that time). This difference was caused due to the fluctuation of price of the Target Company Shares.</p>
Background of Calculation	<p>In late September, 2015, the Tender Offeror solicited the views of Mr. Toshiaki Hashimoto, the founder and one of the Prospective Tendering Shareholders, as to the possibility of the Transactions towards Making the Target Company a Subsidiary. Through discussion, Mr. Hashimoto and the Tender Offeror</p>

came to share the vision towards achieving the greatest and highest-quality nursing care business in Japan and reforming the country's nursing care business and agreed that the Target Company should become a subsidiary of the Tender Offeror in order to further enhance cooperation between the Tender Offeror and the Target Company and improve the implementation of the measures as described in "(i) Purpose and Background of Decision to Conduct the Tender Offers" of "(2) Purpose and Background of Decision to Conduct the Tender Offers and Management Policy After the Tender Offers" to increase the corporate value of both parties. In early October, the Prospective Tendering Shareholders, including Mr. Hashimoto, offered that the Prospective Tendering Shareholders would be willing to sell their shares at a price per share lower than a price to be offered by the Tender Offeror to shareholders of the Target Company other than the Prospective Tendering Shareholders as an indication of their commitment as major shareholders to secure making the Target Company a consolidated subsidiary of the Tender Offeror. Accordingly, the Tender Offeror began making a concrete plan to implement the Transactions.

In late October 2015, the Tender Offeror explained to the Target Company about making the Target Company a consolidated subsidiary of the Tender Offeror with a view to constructing in the Target Company a management system to run the business as a member company of the Tender Offeror group and promote further cooperation and increase the corporate value of both parties. Through discussion, the Tender Offeror and the Target Company came to agree on a framework of the Transactions under which the Target Company would become a consolidated subsidiary of the Tender Offeror through the acquisition by the Tender Offeror of all of the shares owned by the Prospective Tendering Shareholders in the First Tender Offer, followed by the additional share acquisition in the Second Tender Offer. The Prospective Tendering Shareholders also agreed to the framework of the Transactions.

Since it is assumed that only the Prospective Tendering Shareholders will apply to the First Tender Offer, when determining the First Tender Offer Price, the Company conducted arm's length negotiations with the Prospective Tendering Shareholders multiple times during and after late October 2015 and, in the Tender Offer Agreement dated December 18, 2015, the Company reached an agreement to acquire the Prospective Tendered Shares (6,964,800 shares; Shareholding Ratio: 34.69%) at the price of 2,500 yen per share. Consequently, the Company determined the First Tender Offer Price to be 2,500 yen per share. The Company has not obtained any valuation report from an independent third-party appraiser when determining the First Tender Offer Price.

(3) Number of Shares to be Purchased in the Tender Offer

Number of shares intended to be purchased	Minimum number of shares intended to be purchased	Maximum number of shares intended to be purchased
9,336,400	6,964,800	9,336,400

(Note 1) If the total number of shares tendered in the First Tender Offer is less than the number indicated above in “Minimum number of shares intended to be purchased” (6,964,800 shares), none of the tendered shares will be purchased by the Tender Offeror. If the total number of shares tendered in the First Tender Offer exceeds the number indicated in “Maximum number of shares intended to be purchased” (9,336,400 shares), all or part of shares exceeding such number shall not be purchased. In such event, delivery or other settlement of the purchased shares shall be conducted under the method of proportional distribution as set forth in Article 27-13, Paragraph 5 of the Act and Article 32 of the TOB Order.

(Note 2) The Company does not intend to acquire treasury shares held by the Target Company through the Tender Offer.

(Note 3) Shares constituting less than a whole unit will also be subject to purchase through the Tender Offer. The Target Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act (Act No. 86 of 2005, as amended) to require the Target Company to purchase shares constituting less than a whole unit.

5. 【Ownership Percentage of Shares after the Tender Offer】

Category	Number of Voting Rights
(a) Number of Voting Rights Represented by Shares to be Purchased	93,364
(b) Number of Voting Rights Represented by Shares (diluted) included in item (a)	—
(c) Number of Voting Rights Represented by Trust Beneficiary Certificates for Shares and Depositary Receipts for Shares included in item (b)	—
(d) Number of Voting Rights Represented by Shares Owned by Tender Offeror (as of December 21, 2015)	—
(e) Number of Voting Rights Represented by Shares (diluted) included in item (d)	—
(f) Number of Voting Rights Represented by Trust Beneficiary Certificates and Depositary Receipts for Shares included in item (e)	—
(g) Number of Voting Rights Represented by Shares Owned by Specially Related Parties (as of December 21, 2015)	7,035
(h) Number of Voting Rights Represented by Shares (diluted) included in item (g)	—
(i) Number of Voting Rights Represented by Trust Beneficiary Certificates for Shares and Depositary Receipts for Shares included in item (h)	—
(j) Total Number of Voting Rights of Shareholders and Other Parties of the Target Company (as of September 30, 2015)	200,773
Percentage of Voting Rights Represented by Shares to be Purchased to the Total Number of Voting Rights of Shareholders and Other Parties (a/j) (%)	46.50

Ownership Percentage of Shares following the Tender Offer $\frac{(a+d+g)}{\{j+(b-c)+(e-f)+(h-i)\}} \times 100$ (%)	50.00
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(Note 1) The “Number of Voting Rights Represented by Shares to be Purchased” (item (a)) is the number of voting rights with respect to the number of shares intended to be purchased (9,336,400 shares).

(Note 2) The “Total Number of Voting Rights of Shareholders and Other Parties of the Target Company (as of September 30, 2015)” (item (j)) represents the total number of voting rights of all shareholders and other parties of the Target Company as of September 30, 2015, as described in the Target Company’s 19th Business Period Second Quarterly Report (described on the assumption that 1 unit is 100 shares).

However, because shares constituting less than a whole unit (except for the treasury shares constituting less than a whole unit held by the Target Company) are also subject to the Tender Offer, for the purpose of calculating the “Percentage of Voting Rights Represented by Shares to be Purchased to the Total Number of Voting Rights of Shareholders and Other Parties” and the “Ownership Percentage of Shares following the Tender Offer”, the “Total Number of Voting Rights of Shareholders and Other Parties of the Target Company (as of September 30, 2015)” (item (j)) used in the calculation (200,799 units) is the number of voting rights corresponding to the number of shares (20,079,926 shares) obtained by deducting (i) the number of the treasury shares as of September 30, 2015, as described in the Summary of Financial Statements for the Second Quarterly Report of the Fiscal Year Ending March 2016 (74 shares), from (ii) the number of the total issued shares of the Target Company as of September 30, 2015, as described in the Target Company’s 19th Business Period Second Quarterly Report (20,080,000 shares).

(Note 3) The “Percentage of Voting Rights Represented by Shares to be Purchased to the Total Number of Voting Rights of Shareholders and Other Parties” and the “Ownership Percentage of Shares following the Tender Offer” are rounded to the nearest hundredth of a percent.

6. 【Approval with respect to the Acquisition of Shares】

(1) Class of Shares

Common stock

(2) Governing Law

Pursuant to Article 10, Paragraph 2 of the Anti-Monopoly Act, the Tender Offeror is required to file, with the JFTC, a prior notification of the plan with respect to the acquisition of the shares of the Target Company through the Tender Offer (the “Acquisition of Shares”; and such notification shall hereinafter be referred to as the “Prior Notification”), and pursuant to Article 10, Paragraph 8 of the Anti-Monopoly Act, in principle, the Acquisition of Shares is prohibited until the expiration of a 30-day period (which may be shortened) starting from the date of receipt of the Prior Notification (such period during which the Acquisition of Shares is prohibit shall hereinafter be referred to as the “Prohibition Period for Acquisition”).

Under Article 10, Paragraph 1 of the Anti-Monopoly Act, no corporation shall acquire stock of any other corporation where the effect of such acquisition of stock may substantially restrain competition in any particular field of trade, and the JFTC may order the relevant corporation to cease and desist from the said act (Article 17-2, Paragraph 1 of the Anti-Monopoly Act, the “Cease and Desist Order”) by imposing necessary measures. When the JFTC intends to issue the Cease and Desist Order, the JFTC is required to conduct a hearing of opinions with the intended addressee of the Cease and Desist Order (Article 49 of the Anti-Monopoly Act), and upon conducting such hearing of opinions, the JFTC is required to notify the addressee of the content and other details of

the intended Cease and Desist Order (Article 50, Paragraph 1 of the Anti-Monopoly Act, the “Prior Notice of Cease and Desist Order”). In addition, the JFTC is required to make the Prior Notice of Cease and Desist Order regarding the plan with respect to the acquisition of shares in connection with the Prior Notification within a certain period (which is, in principle, 30 days after the receipt of the above Prior Notification, but it may be extended or shortened; the “Waiting Period”) (Article 10, Paragraph 9 of the Anti-Monopoly Act). When the JFTC decides not to issue the Prior Notice of Cease and Desist Order, it is required to provide a notice thereof (the “Notice of Non-issuance of Cease and Desist Order”) (Article 9 of the Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Fair Trade Commission Rule No. 1 of 1953).

The Tender Offeror submitted the Prior Notification to the JFTC on December 8, 2015 and such Prior Notification was received by the JFTC on the same date. Therefore, as for the Acquisition of Shares, the Prohibition Period for Acquisition will expire on January 7, 2016, in principle.

If, by the day preceding the expiration date of the Tender Offer Period (as extended), (i) the Tender Offeror receives from the JFTC, with respect to the Prior Notification filed with the JFTC, the Prior Notice of Cease and Desist Order that informs the Tender Offeror of the intended order to dispose of all or part of the shares of the Target Company or to transfer any part of the Target Company’s business; (ii) the Waiting Period does not expire; or (iii) an urgent temporary suspension order is issued by the court against the Tender Offeror as a person doing an act suspected of violating the provisions of Article 10, Paragraph 1 of the Anti-Monopoly Act, the Tender Offeror may withdraw the Tender Offer by regarding such situation as an event set forth in Article 14, Paragraph 1, Item 4 of the Enforcement Order (as described in “(2) Conditions of Withdrawal, etc. of the Tender Offer, Details thereof and Method of Disclosure of Withdrawal, etc.” of “11. Other Conditions and Methods of the Tender Offer” below).

If (a) the Waiting Period and the Prohibition Period for Acquisition expire without the Tender Offeror receiving the Prior Notice of Cease and Desist Order from the JFTC in accordance with Article 50, Paragraph 1 of the Anti-Monopoly Act and a request for Reports, etc. in accordance with Article 10, Paragraph 9 of the Anti-Monopoly Act or (b) the Tender Offeror receives from the JFTC the Notice of Non-issuance of Cease and Desist Order, the Tender Offeror shall immediately file an amendment to this Statement in accordance with Article 27-8, Paragraph 2 of the Act.

(3) Date and Number of Approval, etc.

Not applicable.

7. 【Method of Application for the Tender Offer and Cancellation thereof】

(1) Method of Application for the Tender Offer

a. Tender Offer Agent

Mizuho Securities Co., Ltd.
5-1, Otemachi 1-chome, Chiyoda-Ku, Tokyo

b. Shareholders are requested to apply for the Tender Offer by filling in the prescribed “Tender Offer Application Form” (*koukai kaitsuke oubu moushikomisho*) and submitting it to the head office or any of the nationwide branches of the Tender Offer Agent by 15:00 on the last day of the Tender Offer Period.

c. In order for the application relating to the Tender Offer to be accepted, Tendering Shareholders need to open an account with the Tender Offer Agent and to record and administer, in such account, shares intended to be tendered in the Tender Offer. Application for the Tender Offer by way of financial instruments dealers, etc., other than the Tender Offer Agent shall not be accepted.

Shareholders shall not be able to tender shares in the Tender Offer that are recorded in a special account opened with the special account management institution designated by the Target Company (Mitsubishi UFJ Trust and Banking Corporation). In the event that shares intended to be tendered in the Tender Offer are recorded in an account opened with financial instruments dealers, etc., other than the Tender Offer Agent or in a special account opened with the special account management institution, shareholders are required to complete the transfer of shares to the account opened with the Tender Offer Agent prior to submitting the application. (Note 1)

- d. At the time of application, please have ready a seal (*inkan*) together with the “Tender Offer Application Form” above.
- e. If Tendering Shareholders do not have an account with the Tender Offer Agent, it will be necessary to open a new account. When Tendering Shareholders open a new account, identification documents (Note 2) and their Social Security and Tax Number, which is the so-called “My Number” (Individual Number or Corporate Number) (Note 3) will be necessary .
- f. Please note that it may take a certain number of days to complete the transfer of the tendering shares described in c. above and set up a new account described in e. above.
- g. For shareholders who reside outside of Japan (including corporate shareholders, hereinafter referred to as “Foreign Shareholders”), please apply through your standing proxy residing in Japan.
- h. For individual shareholders residing in Japan, the difference between the price for shares sold in the Tender Offer and the acquisition related costs will generally be subject to self-assessment taxation separate from other income with regard to capital gains from a transfer of shares. (Note 3)
- i. The Tender Offer Agent will deliver to Tendering Shareholders a receipt slip of the application for the tender offer when the application is accepted.

(Note 1) Transfer of the record of shares from a special account with the special account management institution designated by the Target Company to the account with the Tender Offer Agent

In the case of transferring the record of shares from a special account with the special account management institution designated by the Target Company to the account with the Tender Offer Agent by way of the Tender Offer Agent or the special account management institution, shareholders are required to apply for such transfer by using the account transfer application (*kouza furikae shinseisho*), which contains the exact same personal information as registered at the special account management institution. For details, please make an inquiry with the Tender Offer Agent or the special account management institution.

(Note 2) Identification documents

Shareholders who are opening a new account with the Tender Offer Agent, or Foreign Shareholders who are applying through their standing proxy in Japan, must submit the following identification documents. For details regarding the identification documents etc., please make an inquiry with the Tender Offer Agent.

Individual Shareholders: A copy of a resident’s card (issued within six months), health insurance cards (*kenkou-hoken-sho*), driver’s license, etc. (by which all of the name, address and date of birth can be confirmed).

Corporate Shareholders: Certificate of corporate registry documents issued by competent or public authorities (which have been issued within six months and by which the name and the

location of the head office or principal office, and a description of the business conducted by the corporate shareholder can be confirmed).

In addition to the identification documents for the corporate entity, identification of the individual in charge of the transaction (if the corporate shareholder's representative is in charge of the transaction, identification of the representative) will be required.

Foreign Shareholders:

Identification documents, such as documents issued by a foreign government recognized by the Japanese government or a competent international organization, which are comparable to the identification documents for Japanese residents (For natural persons, identification documents must contain the name, the address, and the date of birth of the person (*1). For corporate shareholders, identification documents must contain the name and the location of the head office or principal office and a description of the business conducted by the corporate shareholder (*2). For both natural persons and corporate shareholders, identification documents shall be limited to documents that have been issued within six months, or, if such documents have a valid period or an expiration date, documents that are valid.), and a copy of the power of attorney regarding the engagement contract with the standing proxy or a copy of such engagement contract (*3).

(*1) In principle, shareholders who possess Japanese nationality and reside outside of Japan are required to submit their passports.

(*2) In the case of corporate shareholders, because it is necessary to confirm the description of the business conducted by the corporate shareholder, if the identification documents do not contain a description of such business, the submission of other documents, by which the description of the business conducted by the corporate shareholder can be confirmed (i.e., a document comparable to the identification documents for Japanese residents or a document required by the laws of a foreign country to be prepared by the relevant corporate shareholder, each of which must contain a description of the business conducted by the relevant corporate shareholder) is also required.

(*3) Such copy shall contain the name of the Foreign Shareholder and its address outside of Japan, and shall be a certified copy which contains (i) the date of certification by the standing proxy and (ii) the name, address, and name and title of the representative or signatory of the standing proxy, and on which the seal registered with the Tender Offer Agent when the account was opened is affixed.

(Note 3) (a) My Number (Individual Number) (For Individual Shareholders)

Beginning in January 2016, when an individual shareholder is opening an account with the Tender Offer Agent, the individual shareholder is required to submit the documents to verify his/her individual number and identification documents set forth in items (i) through (iii) below. For details regarding such documents, please contact the Tender Offer Agent. Beginning in January 2016, if the above-mentioned individual shareholder fails to submit his/her My Number (Individual Number), Mizuho Securities Co., Ltd., acting as the Tender Offer Agent, cannot perform the procedures for the opening of an account on his/her behalf. In addition, beginning in January 2016, even if the above-mentioned individual shareholder has already opened his/her account with the Tender Offer Agent, he/she is required to submit the documents to verify his/her individual number and identification documents if such individual shareholder intends to change his/her name, address and/or My Number (Individual Number). For details, please contact the Tender Offer Agent.

	Documents to verify one's individual number	Identification documents to accept one's My Number (Individual Number)
(i)	Individual number card (both sides) (on the reverse side, the identification details are described)	
(ii)	Notification card	<u>One of the following identification documents with a photo</u> A driver's license, a certificate of driving history, a passport, a residence card (<i>zairyu card</i>), a rehabilitation certificate (<i>ryoiku-techo</i>), a physical disability certificate (<i>shintai-shogaisha-techo</i>), etc. (an "Identification Document with a Photo")
		or
		<u>Two of the following identification documents without a photo</u> A copy of a resident's card, a certificate of entry in a resident's card, a type of health insurance card (<i>kenkou-hoken-sho</i>), a certificate of registered seal impression, a national pension book (<i>kokumin-nenkin-techo</i>), a maternity and child health book (<i>boshi-techo</i>), a copy of the attachment to a family register (<i>koseki-no-fuhyo</i>), a certificate of childcare allowance (<i>jido-fuyo-teate-shosho</i>), etc. (For a copy of a resident's card, the certificate of entry in a resident's card and a certificate of registered seal impression, those documents must be issued within the past six months) (an "Identification Document without a Photo")
(iii)	A copy of a resident's card indicating a My Number (Individual Number) or a	Any one of the "Identification Document with a Photo"
		or

	certificate of entry in a resident's card	One "Identification Document without a Photo" (excluding a copy of a resident's card or a certificate of entry in a resident's card)
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(b) My Number (Corporate Number) (For Corporate Shareholders)

Beginning in January 2016, when a corporate shareholder is establishing a bank account with the Tender Offer Agent, the corporation may be required to submit a copy of a "Notification of the Specified Corporate Number (*houjin-bango-shitei-tsuchisho*)" or a document indicating the corporate number of the corporation thereon that is printed from the website of the National Taxation Agency for the publication of corporate numbers (<http://www.houjin-bangou.nta.go.jp/>) and identification documents (including those for the identification of the corporate shareholder and its person in charge). In addition, beginning in January 2016, even if the above-mentioned corporate shareholder has already opened its account with the Tender Offer Agent, it is required to submit the documents to verify its corporate number and identification documents if such corporate shareholder intends to change its name and/or its address. For details in this regard, please contact the Tender Offer Agent.

- (Note 4) Self-assessment taxation separate from other income with regard to capital gains from a transfer of shares owned by a Japanese resident (for individual shareholders)

Capital gains realized from a transfer of shares will, in principle, be subject to self-assessment taxation separate from other income for individual shareholders residing in Japan. The sales relating to the application in the Tender Offer will be treated as ordinary sales through financial instruments dealers. Shareholders are kindly requested to consult with a tax accountant or other expert and judge for themselves with respect to any specific questions regarding the tax consequences.

(2) Method of Cancellation of Application for the Tender Offer

Tendering Shareholders may, at any time during the Tender Offer Period, cancel an application for the Tender Offer. In case of such cancellation, Tendering Shareholders must deliver or mail a written request to cancel the application for the Tender Offer (the "Written Request for Cancellation"), with a receipt slip of the application for the Tender Offer enclosed, to the head office or any of the nationwide branches of the Tender Offer Agent, which accepted the application, by 15:00 on the last day of the Tender Offer Period. The cancellation of the application will be effective when the Written Request for Cancellation is delivered to or has reached the Tender Offer Agent. Therefore, please note that shareholders cannot cancel the application unless the Written Request for Cancellation has reached the Tender Offer Agent by 15:00 on the last day of the Tender Offer Period in the case of mailing the Written Request for Cancellation.

Entities authorized to receive the Written Request for Cancellation:

Mizuho Securities Co., Ltd.
5-1, Otemachi 1-chome, Chiyoda-Ku, Tokyo
(any of the other nationwide branches of Mizuho Securities Co., Ltd.)

(3) Method of Returning Shares

If a Tendering Shareholder gives notice of cancellation of the application for the Tender Offer in the manner described in "(2) Method of Cancellation of Application for the Tender Offer" above, the relevant tendering shares will be returned immediately following the completion of the cancellation procedures by the method indicated in "(4) Method of Returning Shares" of "10. Method of Settlement" below.

(4) Name and Location of Head Office of Financial Instrument Firms and Banks, etc. Holding and Returning Shares

Mizuho Securities Co., Ltd.
5-1, Otemachi 1-chome, Chiyoda-Ku, Tokyo

8. 【Funds Required for the Tender Offer】

(1) Funds Required for the Tender Offer

Aggregate Tender Offer Price (a)	¥ 23,341,000,000
Type of Consideration other than Cash	—
Total amount of Consideration other than Cash	—
Commission (b)	¥ 20,000,000
Others (c)	¥ 3,500,000
Total (a)+(b)+(c)	¥ 23,364,500,000

(Note 1) The “Aggregate Tender Offer Price (a)” above is calculated by multiplying the number of shares intended to be purchased (9,336,400 shares) through the Tender Offer by the First Tender Offer Price per share (2,500 yen).

(Note 2) “Commission (b)” is the estimated amount to be paid to the Tender Offer Agent.

(Note 3) “Others (c)” is the estimated fees and expenses required for the public notice of the Tender Offer and for printing the Tender Offer Explanatory Statement and other necessary documents, etc.

(Note 4) Consumption tax and similar charges are not included in the above amounts.

(Note 5) Expenses to be incurred by the Tender Offer Agent and fees for legal counsel will also be paid. However, the amount thereof will not be determined until after the completion of the Tender Offer.

(2) Deposits or Loans Available as Funds for the Tender Offer

a. Deposits as of one or two days preceding the filing date of the Registration Statement

Type of Deposits	Amount (¥ thousands)
—	—
Total (a)	—

b. Borrowings as of the day preceding the filing date of the Registration Statement

【Financial Institutions】

	Category of Business of Lender	Name of Lender	Terms of contract	Amount (¥ thousands)
1	—	—	—	—
2	—	—	—	—

Total	—
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【Non-Financial Institutions】

Category of Business of Lender	Name of Lender	Terms of contract	Amount (¥ thousands)
—	—	—	—
Total			—

c. Funds to be borrowed after the filing date of the Registration Statement

【Financial Institutions】

Category of Business of Lender	Name of Lender	Terms of contract	Amount (¥ thousands)
1	—	—	—
2	Sompo Japan Nipponkoa Insurance Inc. (26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo)	Loan to be utilized as funds required to purchase shares (Note)	23,400,000
Total (b)			23,400,000

(Note) The Company has obtained the loan certificate dated December 18, 2015, which states a loan of up to 23,400,000 thousand yen is ready to be made by Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Company, in support of the loan equivalent to the above-mentioned amount subject to specific loan terms (interest rate, borrowing period, etc.) determined separately upon discussion between Sompo Japan Nipponkoa and the Company. In addition, such loan will be subject to each of the conditions precedent set forth in the loan certificate attached to this Statement as an appendix. The Company confirmed that Sompo Japan Nipponkoa holds cash reserves exceeding such loan amount from the interim consolidated balance sheet as at September 30, 2015 described in the 73rd Business Period Semi-annual Report which Sompo Japan Nipponkoa submitted on November 27, 2015.

【Non-Financial Institutions】

Category of Business of Lender	Name of Lender	Terms of contract	Amount (¥ thousands)
—	—	—	—
Total			—

d. Other methods of financing

Description	Amount (¥ thousands)
—	—
Total (d)	—

- e. Total of deposits or loans of funds available to be applied to the Tender Offer

JPY 23,400,000 thousand ((a) + (b) + (c) + (d))

(3) Relationship between Tender Offeror and Company Issuing Securities to be Used as Consideration for the Tender Offer

Not applicable.

9. 【Condition of Company Issuing Securities to be Used as Consideration for the Tender Offer】

Not applicable.

10. 【Method of Settlement】

(1) Name and Location of Head Office of Financial Instruments Dealers and Banks, etc. in Charge of Settlement for Purchase, etc.

Mizuho Securities Co., Ltd.
5-1, Otemachi 1-chome, Chiyoda-Ku, Tokyo

(2) Commencement Date of Settlement

January 28, 2016 (Thursday)

(Note) : The commencement date of settlement shall be February 12, 2016 (Friday) in the event that the Target Company submits an opinion report requesting an extension of the Tender Offer Period pursuant to Article 27-10, Paragraph 3 of the Act.

(3) Method of Settlement

A notice of purchase will be mailed to the address of Tendering Shareholders (or the standing proxy in case of Foreign Shareholders) promptly after the end of the Tender Offer Period. Purchases will be made in cash. The Tender Offer Agent will, in accordance with the instructions of Tendering Shareholders (or the standing proxy in case of Foreign Shareholders), remit the purchase price promptly after the commencement date of settlement to the account designated by Tendering Shareholders (the standing proxy in case of Foreign Shareholders) or pay to the account of Tendering Shareholders with the Tender Offer Agent where the application of Tendering Shareholders was accepted.

(4) Method of Returning Shares

If all or part of the shares tendered are not purchased under the conditions stated in “(1) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Act” or “(2) Conditions of Withdrawal, etc. of the Tender Offer, Details thereof and Method of Disclosure of Withdrawal, etc.” under “11. Other Conditions and Methods of the Tender Offer” below, the Tender Offer Agent will return the shares, which have to be returned, to Tendering Shareholders by restoring the record of such shares to the original record as at the time of the application promptly after the commencement date of settlement (in the case of withdrawal of the Tender Offer, the date that the Tender Offer was withdrawn.).

11. 【Other Conditions and Methods of the Tender Offer】

(1) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Act

If the total number of tendered shares in the First Tender Offer is less than the minimum number of shares to be purchased (6,964,800 shares), none of the tendered shares will be purchased. If the total

number of tendered shares in the First Tender Offer exceeds the maximum number of shares to be purchased (9,336,400 shares), all or part of shares exceeding such number shall not be purchased, and delivery and other settlements relating to the purchase of the shares shall be conducted under the method of proportional distribution as set forth in Article 27-13, Paragraph 5 of the Act and Article 32 of the TOB Order (If the number of tendered shares contains shares less than one trading unit, the maximum number of shares to be purchased, which is calculated according to the proportional distribution method shall be the number of tendered shares.).

If the total number of shares to be purchased from each Tendering Shareholder calculated by rounding off the number of shares constituting less than one trading unit resulting from the calculation method of proportional distribution, is less than the maximum number of shares to be purchased, the Tender Offeror will purchase one trading unit from each Tendering Shareholder beginning with Tendering Shareholders with the largest number of fractional shares that were rounded off, until the total number of shares to be purchased exceeds the maximum number of shares to be purchased (If purchase of one additional trading unit exceeds the number of tendered shares, the purchase will be up to the number of tendered shares). However, if the maximum number of shares to be purchased is exceeded as a result of making purchases via this method from all Tendering Shareholders with the same number of rounded-off fractional shares, purchases will be determined by a random drawing among said shareholders to the extent that the number of shares to be purchased does not fall below the maximum number of shares to be purchased.

If the total number of shares to be purchased from each Tendering Shareholder calculated by rounding off the number of shares constituting less than one trading unit resulting from the calculation method of proportional distribution, is more than the maximum number of shares to be purchased, the Tender Offeror will reduce, by one trading unit, the purchase from each Tendering Shareholders beginning with Tendering Shareholders with the largest number of shares rounded up to a trading unit, to the extent that the number of shares to be purchased does not fall below the maximum number of shares to be purchased (If the number of shares to be purchased, as calculated in a proportional distribution method, contains a portion of shares less than one trading unit, the purchase will be reduced by that amount). However, if the maximum number of shares to be purchased is not reached as a result of reducing purchases via this method from all Tendering Shareholders with the same number of fractional shares raised to a trading unit, reductions will be determined by a random drawing among said shareholders to the extent that the number of shares to be purchased does not fall below the maximum number of shares to be purchased.

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

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 (i) through 1.9 (ri) and Items 1.12 (wo) through 1.18 (so), Items 3.1 (i) through 3.8 (chi) and 3.10 (nu), Item 4, as well as Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order, the Tender Offeror may withdraw the First Tender Offer. The event referred to by Article 14, Paragraph 1, Item 3.10 (nu) of the Enforcement Order means any of the following cases, which are equivalent to the events listed in Items Article 14, Paragraph 1, Items 3.1 (i) through 3.9 (ri) of the Enforcement Order.

(i) The case where it is found that there is a false statement regarding, or an omission of, a material matter to be stated, in the statutory disclosure documents which the Target Company submitted in the past.

(ii) The case where any of the events listed in Article 14, Paragraph 1, Items 3.1 (i) through 3.7 (to) of the Enforcement Order occurs to a material subsidiary of the Target Company

In the case where, by the date preceding the completion date of the First Tender Offer Period (as extended), regarding the prior notification of the Tender Offeror to the JFTC prescribed in Article 10, Paragraph 2 of the Anti-Monopoly Act, (a) the Tender Offeror has received Prior Notice of the

Cease and Desist Order from the JFTC, which instructs the Target Company to dispose of all or part of the shares of the Target Company, to transfer any part of its businesses or other disposition equivalent thereto, (b) the Waiting Period which Prior Notice of the Cease and Desist Order based on the Anti-Monopoly Act should be given has not ended or (c) the Tender Offeror has had an urgent temporary suspension order filed against it by the court on the grounds that the Tender Offeror is suspected of acting in violation of Article 10, Paragraph 1 of the Anti-Monopoly Act, the Tender Offeror may withdraw the Tender Offer on the grounds that the Tender Offeror could not obtain the “permits” described in Article 14, Paragraph 1, Item 4 of the Enforcement Order.

In the event that the Tender Offeror intends to withdraw the Tender Offer, the Tender Offeror will make a public notice electronically and also publish a notification in *the Nihon Keizai Shimbun*; provided, however, that if it is impracticable to give such notice by the last day of the First Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the TOB Order and make a public notice forthwith.

(3) Conditions of Reduction of Purchase Price, etc., Details thereof and Method of Disclosure of Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company takes any action stipulated in Article 13, Paragraph 1 of the Enforcement Order, the Tender Offeror may reduce the purchase price of the Tender Offer in accordance with the criteria under Article 19, Paragraph 1 of the TOB Order.

In the event that the Tender Offeror intends to reduce the purchase price of the Tender Offer, the Tender Offeror will make a public notice electronically and also publish a notification in *the Nihon Keizai Shimbun*; provided, however, that, if it is impracticable to give such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the TOB Order and make a public notice forthwith. If the purchase price is reduced, the Tender Offeror will purchase tendered shares prior to the date of such public notice at the reduced purchase price.

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

Tendering Shareholders may cancel an application for the Tender Offer at any time during the Tender Offer Period. The method of cancellation shall be as described under “(2) Method of Cancellation of Application for the Tender Offer” of “7. Method of Application for the Tender Offer and Cancellation thereof” above.

The Tender Offeror will not make any claim for payment of damages or penalty to any Tendering Shareholders in the event that the contract by Tendering Shareholders is canceled. The cost of returning the shares in the custody of the Tender Offeror will be also borne by the Tender Offeror. In case of cancellation, the Tender Offer Agent will promptly return the shares by the method described in “(4) Method of Returning Shares” of “10. Method of Settlement” above following the completion of the cancellation procedures.

(5) Method of Disclosure if the Terms and Conditions, etc. of the Tender Offer are Changed

Except in the instance prohibited by Article 27-6, Paragraph 1 of the Act and Article 13 of the Enforcement Order, the Tender Offeror may change the terms and conditions, etc. of the Tender Offer during the Tender Offer Period. Should any terms and conditions, etc. of the Tender Offer be changed, the Tender Offeror will give public notice thereof electronically and also publish the notification in *the Nihon Keizai Shimbun*; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the TOB Order and make a public notice forthwith. The purchase of the shares tendered on or prior to such public notice will also be made pursuant to the amended terms and conditions.

(6) Method of Disclosure if Amendment to Registration Statement is Filed

If an amendment to this Statement is submitted to the Director-General of the Kanto Local Finance Bureau except for cases set forth in the proviso to Article 27-8, Paragraph 11 of the Act, the Tender Offeror will forthwith make a public announcement of the contents thereof to the extent relevant to the contents of the public notice of the Tender Offer, pursuant to Article 20 of the TOB Order. The Tender Offeror will also forthwith amend the tender offer explanatory statement and provide the amended tender offer explanatory statement to Tendering Shareholders who have received the previous Tender Offer Explanatory Statement. However, if the amendments are minor, the Tender Offeror will amend tender offer explanatory statement by delivering to Tendering Shareholders a document stating the reason(s) for the amendments, the matters amended and the details thereof.

(7) Method of Disclosure of Results of the Tender Offer

The Tender Offeror will make a public announcement regarding the results of the Tender Offer, pursuant to Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order, on the day following the last day of the Tender Offer Period.

II. **【Information on the Tender Offeror】**

1. **【In the Case of a Company】**

(1) **Outline of the Tender Offeror**

- a. History of the Tender Offeror
- b. Business purpose of the Tender Offeror and the details of its business
- c. Amount of share capital and total number of issued shares
- d. Major shareholders

(as of)

Name	Address	Number of Shares Owned (thousand shares)	Shareholding Percentage of the Total Number of Issued Shares (%)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
Total	—	—	—

- e. Employment histories of and number of shares held by officers

(as of)

Title	Position	Name	Date of Birth	Professional Background	Number of Shares Owned (thousand shares)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
Total					—

(2) **Financial Condition of the Tender Offeror**

- a. Balance Sheet
- b. Profit and Loss Statement
- c. Statement of Shareholders' Equity

(3) **Ongoing Disclosure by the Tender Offeror**

- a. Documents Filed by Tender Offeror

(a) Annual Securities Reports and Attachments Thereto

For the 5th Business Period (from April 1, 2014 to March 31, 2015):

Filed with the Director General of the Kanto Local Finance Bureau on June 25, 2015

(b) Quarterly Report or Semi-annual Report

For the second quarter of the 6th Business Period (from July 1, 2015 to September 30, 2015):

Filed with the Director General of the Kanto Local Finance Bureau on November 27, 2015

(c) Amendment Report

Not applicable.

b. Place Where Copy of Above Documents Is Kept for Public Inspection

Sompo Japan Nipponkoa Holdings, Inc.

(26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo)

Tokyo Stock Exchange, Inc.

(2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

2. 【In the Case of an Entity Other Than a Company】

Not applicable.

3. 【In the Case of an Individual】

Not applicable.

III 【Shares Owned and Traded by the Tender Offeror and Specially Related Parties】

1. 【Ownership of Shares】

(1) Total Number of Shares Owned by the Tender Offeror and/or Specially Related Parties

(as of December 21, 2015)

	Number of Shares Owned	Number of Shares Provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Shares Provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Shares	7,035 (units)	— (units)	— (units)
Stock Acquisition Rights	—	—	—
Bonds with Stock Acquisition Rights	—	—	—
Trust Beneficiary Certificate for Shares ()	—	—	—
Depository Receipts for Shares ()	—	—	—
Total	7,035	—	—
Total Number of Shares Owned	7,035	—	—
(Total Number of Shares (diluted))	(—)	—	—

(2) Number of Shares Owned by the Tender Offeror

Not applicable.

(3) Number of Shares Owned by Specially Related Parties (in aggregate)

(as of December 21, 2015)

	Number of Shares Owned	Number of Shares Provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Shares Provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Shares	7,035 (units)	— (units)	— (units)
Stock Acquisition Rights	—	—	—
Bonds with Stock Acquisition Rights	—	—	—
Trust Beneficiary Certificate for Shares ()	—	—	—
Depository Receipts for Shares ()	—	—	—
Total	7,035	—	—
Total Number of Shares	7,035	—	—

Owned			
(Total Number of Shares (diluted))	(—)	—	—

(4) Ownership of Shares by Each Specially Related Party (breakdown of each specially related party)

a. Specially Related Party

(as of December 21, 2015)

Name	Sompo Japan Nipponkoa Insurance Inc.
Address	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
Occupation or Contents of Business	Property and casualty insurance business
Contact Information	Contact Person: Ryuichi Mochida, Operation Planning Division, Sompo Japan Nipponkoa Insurance Inc. Contact Address: 26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo Tel: +81-50-3808-1918
Relationship with the Tender Offeror	Legal entity with which the Tender Offeror has a special capital relationship.

b. Number of Shares

(as of December 21, 2015)

Name	Sompo Japan Nipponkoa Insurance Inc.		
	Number of Shares Owned	Number of Shares Provided in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Shares Provided in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Shares	7,035 (units)	— (units)	— (units)
Stock Acquisition Rights	—	—	—
Bonds with Stock Acquisition Rights	—	—	—
Trust Beneficiary Certificate for Shares ()	—	—	—
Depository Receipts for Shares ()	—	—	—
Total	7,035	—	—
Total Number of Shares Owned	7,035	—	—
(Total Number of Shares (diluted))	(—)	—	—

2. 【Trading of Shares】

(1) Sixty-day Period Prior to the Submission Date of the Registration Statement

Not applicable.

3. 【Material Contracts Concerning Shares】

Not applicable.

4. **【Purchase Contracts, etc. of Shares after the Submission Date of the Registration Statement】**

Not applicable.

IV 【Transactions between the Tender Offeror and the Target Company】

1. 【Transactions between the Tender Offeror and the Target Company or its Directors and Officers, and Contents Thereof】

(1) Transactions between the Tender Offeror and the Target Company

Not applicable. There are transactions of a general insurance agreement between Sompo Japan Nipponkoa Insurance, which is a subsidiary of the Tender Offeror, and the Target Company; however, there are no material transactions.

(2) Transactions between the Tender Offeror and Officers of the Target Company

Not applicable.

2. 【Agreements between the Tender Offeror and the Target Company or its Directors and Officers, and Contents Thereof】

(1) Support of the Dual Tender Offers

According to the Notice by the Target Company, the Target Company resolved, at its board of directors' meeting held on December 18, 2015, that the Target Company would issue an opinion in support of the First Tender Offer which will be conducted as a part of the Transactions, withhold its opinion concerning the appropriateness of the First Tender Offer Price, and defer to the decision of each shareholder of the Target Company as to whether to accept the First Tender Offer. Furthermore, if the First Tender Offer is completed, the Company will conduct the Second Tender Offer, the tender offer price for which is a higher price (i.e., 3,500 yen) than the First Tender Offer Price (i.e., 2,500 yen), promptly after the settlement of the First Tender Offer. As of December 18, 2015, the board of directors of the Target Company resolved, at its meeting, that the Target Company is in support of the Second Tender Offer if the Second Tender Offer is to be conducted, and also resolved to issue an opinion that it will defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer, given that the Second Tender Offer Price has a certain degree of reasonableness based on the Target Company's Share Valuation Report obtained from Nomura Securities, and that the Transactions are not to be implemented with an intention to delist the Target Company Shares, and the Company and the Target Company intend to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers.

As to the details of the above-mentioned Target Company's resolution at its board of directors' meeting, please refer to the Notice by the Target Company and, "c. Unanimous Approval by the Non-Interested Directors and No Objection from Corporate Auditors of the Target Company" of "(6) Measures to Ensure the Fairness of the Dual Tender Offers Including Those to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" of "3. Purpose of Tender Offer" of "I. Terms and Conditions of the Tender Offer" above.

(2) Matters Concerning Material Agreements Related to the Dual Tender Offers

For the Dual Tender Offers, the Company and the Target Company entered into the MOU as of December 18, 2015. In addition, for the First Tender Offer, the Company and the Prospective Tendering Shareholders, which include Mr. Toshiaki Hashimoto, the representative director and chairman of the Target Company, entered into the Tender Offer Agreement concerning the application for the First Tender Offer as of December 18, 2015. As to the details of the MOU and the Tender Offer Agreement, please refer to "a. MOU" and "b. Tender Offer Agreement" of "(4) Matters Concerning Material Agreements Related to the Dual Tender Offers" of "3. Purpose of the Tender Offer" of "I. Terms and Conditions of the Tender Offer" above.

V 【Description of the Target Company】

1. 【Profit & Losses and Other Financial Data for the Most Recent Three Years】

(1) Profit & Loss

Fiscal Year ended	—	—	—
Net sales	—	—	—
Cost of sales	—	—	—
Selling, general and administrative expenses	—	—	—
Non-operating income	—	—	—
Non-operating expenses	—	—	—
Net income (loss)	—	—	—

(2) Per Share Information

Fiscal Year ended	—	—	—
Net profit and loss per share	—	—	—
Divided per share	—	—	—
Net asset per share	—	—	—

2. 【Share Price Information】

Name of Stock Exchange		Tokyo Stock Exchange Group, Inc., JASDAQ Standard						
Month		6/2015	7/2015	8/2015	9/2015	10/2015	11/2015	12/2015
Share Price (¥)	High	3,385	3,795	4,545	4,500	3,110	3,240	2,995
	Low	3,200	3,315	3,620	2,011	2,301	2,853	2,253

(Note) Highest and lowest share prices for December 2015 represent those up to and including December 18.

3. 【Shareholder Information】

(1) 【Ownership Status】

(as of)

Description	Status of Shares (the number of shares constituting one unit : shares)								Status of Shares Constituting Less Than a Whole Unit (shares)
	National and Local Governments	Financial institutions	Securities Companies	Other Corporate Entities	Foreign Entities, etc. (Non-Individuals)	Foreign Entities, etc. (Individuals)	Individuals or Others	Total	
Number of shareholders	—	—	—	—	—	—	—	—	—
Number of shares owned (units)	—	—	—	—	—	—	—	—	—

Proportion of number of shares owned (%)	—	—	—	—	—	—	—	—	—
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(2) 【Number of Shares Owned by Major Shareholders and Officers】

a. Major Shareholders (as of)

Name	Address	Number of Shares Owned (shares)	Shareholding Percentage of the Total Number of Issued Shares (%)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
Total	—	—	—

b. Officers (as of)

Name	Title	Responsibilities	Number of Shares Owned (shares)	Shareholding Percentage of the Total Number of Issued Shares (%)
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
Total	—	—	—	—

4. 【Ongoing Disclosure by the Target Company】

a. Documents Filed by the Target Company

(a) Annual Securities Reports and Attachments Thereto

For the 17th Business Period (from April 1, 2013 to March 31, 2014):

Filed with the Director General of the Chugoku Local Finance Bureau on June 27, 2014

For the 18th Business Period (from April 1, 2014 to March 31, 2015):

Filed with the Director General of the Chugoku Local Finance Bureau on June 25, 2015

(b) Quarterly Report or Semi-annual Report

For the second quarter of the 19th Business Period (from July 1, 2015 to September 30, 2015):
Filed with the Director General of the Chugoku Local Finance Bureau on November 12, 2015

(c) Extraordinary Report

Not applicable.

(d) Amendment Report

Not applicable.

b. Place Where Copy of Above Documents Is Kept for Public Inspection

Message Co., Ltd.
(522-1, Nishiichi, Minami-ku, Okayama-shi)

Tokyo Stock Exchange, Inc.
(2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

5. 【Contents, etc. of Received Information on a Fact Concerning Launch of a Tender Offer】

Not applicable.

6. 【Others】

As of December 18, 2015, the Target Company issued its press release titled “Notice Concerning Disciplinary Action against Officers of the Company and New Organizational Structure.” According to the press release, the Target Company determined that (i) the officers’ compensations should be reduced and (ii) the Target Company would introduce a new organization structure as of January 1, 2016, to strengthen the operational control system of each business segment. For more details, please refer to the above press release issued by the Target Company.

(End of Document)