

[English Translation]

August 13, 2012

Corporate Name: NKSJ Holdings, Inc.

Representative: Kengo Sakurada, President

Securities Code: 8630, TSE, OSE

NKSJ Holdings to Enter Nursing Care Service Business

Commencement of Tender Offer for Shares of Cedar Co., Ltd. Through an Investment LPS

NKSJ Holdings, Inc. (hereinafter, “NKSJ Holdings”) has announced that subsidiary Sompo Japan Insurance Inc. (hereinafter, “Sompo Japan”) has decided to enter the nursing care service business through an investment LPS (Name: Aged Society Strategy Investment LPS 1; hereinafter, the “Tender Offeror”).

The Tender Offeror has announced its decision to purchase shares of common stock of Cedar Co., Ltd. (Code: 2435; JASDAQ Standard Market of the Osaka Securities Exchange; hereinafter “Cedar”) through a tender offer (hereinafter, the “Tender Offer”). (For details on the Tender Offer, please see the Attachment “Notice Regarding Commencement of Tender Offer for Shares of Cedar Co., Ltd.”)

1. Purpose of Entering the Nursing Care Service Business

Sompo Japan aims to achieve further growth by becoming a company that evolves into a most highly evaluated service company based on the core P&C insurance business, by providing innovative services that support the security and peace of mind of its customers.

In the healthcare business, Sompo Japan has provided health enhancement and disease prevention services for both mental and physical health through Zenkoku Homon Kenko Shido Kyokai K.K.(Healthcare Frontier Japan Inc.) and Sompo Japan Healthcare Services Inc.

To address the needs of Japan’s super-aged society, Sompo Japan has now decided to enter the nursing care service business.

2. Scheme for Entering the Nursing Care Service Business

An investment LPS (the Tender Offeror) will be established with Sompo Japan as the limited partner and ACA Inc. (Note 1) (hereinafter, “ACA”) as the general partner. Through the Tender Offeror, Sompo Japan will enter the nursing care service business with Cedar as a business partner.

The Tender Offeror will be established for the purpose of maximizing Cedar's corporate value by purchasing and owning Cedar shares through the Tender Offer. Sompo Japan and ACA plan to invest (Note 2) in the Tender Offeror provided that the Tender Offer succeeds. Following this investment, Cedar is to become an affiliated company of Sompo Japan.

(Note 1) ACA Inc.

Established in April 2005, ACA Inc. can trace its origins to the strategic investment division of Nikko Antfactory K.K. (currently Ant Capital Partners Co., Ltd.). ACA is an investment firm focused on management and other operations of funds specialized in specific industries such as the nursing care sector. As of December 31, 2011, ACA had approximately ¥50.0 billion in assets under management.

(Note 2) Amount of investment (plan)

¥1,340 million (Breakdown: Sompo Japan ¥1,330 million; ACA ¥10 million)

3. Tender Offeror's Reasons for Selecting Cedar as a Business Partner

The Tender Offeror has determined that Cedar would be an optimal business partner because Cedar provides comprehensive services throughout Japan spanning daycare and at-home nursing care services in addition to fee-based nursing homes in various regions across Japan. Cedar also possesses advanced rehabilitation technologies reflecting its origins as the rehabilitation department of a hospital group.

[Reference] Overview of Cedar Co., Ltd. (As of March 31, 2012)

(1) Company Name	Cedar Co., Ltd.								
(2) Head Office	1-7-19, Obatake, Kokurakita-ku, Kitakyushu-shi, Fukuoka, Japan								
(3) Name and Title of Representative	Yoshitada Yamazaki, President								
(4) Main Business	Daycare, facility-based care and homecare services businesses								
(5) Capital	¥432,280,000								
(6) Net sales	<table> <tr> <td>Daycare Service Business</td> <td>¥3,365 million</td> </tr> <tr> <td>Facility-based Service Business</td> <td>¥5,482 million</td> </tr> <tr> <td><u>Homecare Service Business</u></td> <td><u>¥766 million</u></td> </tr> <tr> <td>Total</td> <td>¥9,614 million</td> </tr> </table>	Daycare Service Business	¥3,365 million	Facility-based Service Business	¥5,482 million	<u>Homecare Service Business</u>	<u>¥766 million</u>	Total	¥9,614 million
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Facility-based Service Business	¥5,482 million								
<u>Homecare Service Business</u>	<u>¥766 million</u>								
Total	¥9,614 million								
(7) Established	April 25, 1981								

(8) Number of Shares Issued	5,738,000 shares
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4. Outline of the Tender Offer

The Tender Offeror will conduct a tender offer for the purchase of up to 1,950,900 Cedar shares, for the purpose of acquiring a 34% voting interest in Cedar.

On August 13, 2012, Cedar expressed an opinion indicating its support for the Tender Offer.

(1) Tender Offeror	Aged Society Strategy Investment LPS 1
(2) Tender Offer Period	From August 14, 2012 to September 13, 2012 (23 business days)
(3) Tender Offer Price	¥610 per share of common stock
(4) Expected Number of Shares to Be Purchased	<p>1,950,900 shares</p> <p>Minimum Number of Shares to Be Purchased: 1,575,200</p> <p>Maximum Number of Shares to Be Purchased: 1,950,900</p> <p>If the total number of tendered shares is less than the minimum number of shares to be purchased (of 1,575,200 shares), the Tender Offeror will not purchase all the tendered shares. If the total number of tendered shares is greater than the maximum number of shares to be purchased (1,950,900), the Tender Offeror will not purchase all or part of the tendered shares exceeding the maximum number of shares to be purchased. In this case, the Tender Offeror will conduct transfer of share certificates, etc. and other settlement procedures in respect of a tender offer for shares through the Proportional Distribution Method prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Law and Section 32 of the Ordinance.</p>
(5) Funds, Etc. Required for the Tender Offer	¥1,190 million
(6) Commencement Date of Settlement	September 20, 2012

Note: (For details on the Tender Offer, please see the Attachment “Notice Regarding Commencement of Tender Offer for Shares of Cedar Co., Ltd.”)

5. Outlook

In connection with the Tender Offer, the Tender Offeror concluded a Capital and Business Alliance Agreement with Cedar on August 13, 2012. The purpose of this agreement is to achieve the sustained growth of Cedar by combining Cedar's expertise, human resources, and other assets with the networks, credibility and other resources of Sompo Japan and ACA.

Furthermore, pursuant to this agreement, the Tender Offeror plans to establish a system for enhancing corporate value. Measures include dispatching directors in proportion to the Tender Offeror's voting interest and sending a member to sit on the Executive Committee of Cedar ahead of the dispatch of directors.

August 13, 2012

Aged Society Strategy Investment LPS 1
General Partner: ACA Inc.
Representative Akihiro Azuma, President

Notice Regarding Commencement of Tender Offer for Shares of Cedar Co., Ltd.

Aged Society Strategy Investment LPS 1 (hereinafter, the "Tender Offeror") has announced its decision to make a tender offer (hereinafter, the "Tender Offer") for the shares of Cedar Co., Ltd. (Code: 2435 JASDAQ Standard Market of the Osaka Securities Exchange, hereinafter, the "Target Company"). Details are as follows.

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

The Tender Offeror is an investment LPS based on the Limited Investment Act for Partnership, established on July 27, 2012 by the general partner ACA Inc. (hereinafter, "ACA") and the limited partner Sompo Japan Insurance Inc. (hereinafter, "Sompo Japan"; the two companies shall be collectively referred to as the "Investment LPS Partners."). The main purpose of the investment LPS is to purchase and own shares of common stock of the Target Company (hereinafter, the "Target Company Stock").

Established in April 2005, ACA can trace its origins to the strategic investment division of Nikko Antfactory K.K. (currently Ant Capital Partners Co., Ltd.) ACA is an investment firm focused on management and other operations of funds specialized in specific industries such as the nursing care sector. As of December 31, 2011, ACA had approximately ¥50.0 billion in assets under management.

The Sompo Japan Group is a wholly owned subsidiary of NKSJ Holdings Inc. and comprises Sompo Japan Insurance Inc. and affiliated companies (44 subsidiaries and 15 affiliates, as of March 31, 2012). Main businesses are P&C insurance, life insurance and other businesses. The Sompo Japan Group's most important strategic goal is to become Japan's Best / No.1 in terms of customer evaluations. To this end, all Sompo Japan employees and agencies are striving to provide the utmost satisfaction and peace of mind to customers in all processes, from insurance sales to the payment of insurance claims. In doing so, Sompo Japan employees and agencies

give consideration to “what customers desire” and “what they can do for customers.” In the first half of fiscal 2014, Sompo Japan plans to merge with Nipponkoa Insurance Co., Ltd. The merger will result in the establishment of a new company, Sompo Japan Nipponkoa Insurance Inc. The most important objective of Sompo Japan Nipponkoa Insurance’s management strategy will be to become a P&C insurance company that earns the highest evaluation from customers, with the aim of achieving sustained growth. Given the social mission of the P&C insurance business, Sompo Japan Nipponkoa Insurance will also continue to contribute to the creation of a sustainable society.

On August 13, 2012, the Tender Offeror concluded a capital and business alliance agreement (hereinafter, the “Capital and Business Alliance Agreement”; the partnership based on the said agreement shall be referred to as the “Capital and Business Alliance”; for details on the Capital and Business Alliance, please see the following item “(i) The Capital and Business Alliance” in the section “(4) Matters Regarding Important Agreements Related to the Tender Offer”) with the Target Company, whose shares are listed on the JASDAQ Standard Market (hereinafter “JASDAQ”), which is operated by the Osaka Securities Exchange. The purpose of the agreement is to work to achieve the sustained growth of the Target Company by combining the Target Company’s expertise, human resources and other assets with the networks, credibility and so forth of the Tender Offeror (the Investment LPS Partners). Furthermore, the Tender Offeror has decided to conduct the Tender Offer for the planned purchase of up to 1,950,900 shares of Target Company Stock (the shareholding percentage relative to the total number of shares issued as of June 30, 2012, (5,738,000 shares) as disclosed in the Target Company’s First-Quarter Report for the 32nd Term filed on August 13, 2012 (hereinafter, “shareholding,” with calculations rounded to the second decimal place): 34.00%). The purpose of the Tender Offer is to acquire a voting interest of 34% in the Target Company as part of the Capital and Business Alliance.

The major shareholders of the Target Company are BUSINESS TRUST Co., Ltd. (number of shares owned: 944,500 shares; shareholding of 16.46%), founder Masumi Kamachi (number of shares owned: 220,000 shares; shareholding of 3.83%), his relative Akiko Kamachi (number of shares owned: 100,000 shares; shareholding of 1.74%), and prominent supporters of the founder since the foundation of the Target Company, Naokuni Tsurusaki, (number of shares owned: 210,700 shares; shareholding of 3.67%) and Shigeru Fujii (number of shares owned: 100,000 shares; shareholding of 1.74%) (hereinafter, BUSINESS TRUST Co., Ltd., Masumi Kamachi, Akiko Kamachi, Naokuni Tsurusaki, and Shigeru Fujii shall be collectively referred to as the “Target Company’s Major Shareholders”). On August 13, 2012, the Tender Offeror concluded a Tender Offer Support Agreement (hereinafter the “Tender Offer Support Agreement”) with the

Target Company's Major Shareholders, under which the Target Company's Major Shareholders have agreed to tender all of their shares (a total of 1,575,200 shares; total shareholding: 27.45%, hereinafter the "Tendered Shares").

In addition, on August 13, 2012, the Tender Offeror concluded a Main Shareholder Agreement (hereinafter, the "Main Shareholder Agreement;" for details on the Main Shareholder Agreement, please see the following item "(iii) Main Shareholder Agreement" in section "(4) Matters Regarding Important Agreements Related to the Tender Offer") with Yoshitada Yamazaki, president of the Target Company (number of shares held: 1,457,722 shares; shareholding of 25.40%; hereinafter, "Mr. Yamazaki"). Under the Main Shareholder Agreement, if either Mr. Yamazaki or the Tender Offeror wishes to dispose of or purchase additional shares of the Target Company, both parties have agreed to discuss such matters in advance, among other measures. Following the Tender Offer, Mr. Yamazaki is to remain involved in management as the President of the Target Company.

The Tender Offeror has set the Tendered Shares of 1,575,200 shares as the minimum number of shares to be purchased (representing a shareholding of 27.45%) in the Tender Offer. If the total number of tendered shares is less than the minimum number of shares to be purchased (1,575,200), the Tender Offeror will not purchase all the tendered shares. The Tender Offeror does not plan to delist the shares in the Target Company through the Tender Offer. The main purpose of the Tender Offer is for the Tender Offeror to purchase the Tendered Shares and to hold a voting interest of 34% in the Target Company. Accordingly, if the total number of tendered shares is greater than the maximum number of shares to be purchased, the Tender Offeror will not purchase all or part of the tendered shares exceeding the maximum number of shares to be purchased of 1,950,900 shares (shareholding: 34.00%). In this case, the Tender Offeror will conduct transfer of share certificates, etc. and other settlement procedures in respect of a tender offer for shares through the Proportional Distribution Method prescribed in Article 27-13, Paragraph 5 of Financial Instruments and Exchange Act and Section 32 of the Cabinet Office Ordinance Concerning Disclosure of the Tender Offer of Shares, Etc., by Non-Issuer (Ministry of Finance Ordinance No.38, including subsequent amendments; hereinafter, "the Ordinance.")

On August 13, 2012, the Target Company issued a press release titled "Notice Regarding Announcement of Opinion of Support for Tender Offer for Shares of the Company and Conclusion of Capital and Business Alliance Agreement" (hereinafter, the "Target Company Press Release"). According to this press release, the Target Company intends to build a strong alliance with the Tender Offeror by concluding a Capital and Business Alliance Agreement, while emphasizing a stable equity-based relationship premised on the completion of the Tender

Offer, as the Target Company has determined that this will contribute to improving its corporate value and the collective interests of shareholders. The Target Company Press Release states that at a Board of Directors meeting held on August 13, 2012, the Target Company resolved to express its opinion to approve the Tender Offer by a unanimous decision of all directors participating in the deliberations and the resolution (all 3 out of 4 directors in attendance (including 1 outside director)). On the other hand, in regard to the offer price for the Target Company Stock in the Tender Offer (hereinafter, the “Tender Offer Price”), the Target Company has resolved to reserve an opinion on the appropriateness of the Tender Offer Price and to allow the Target Company’s shareholders to decide for themselves whether or not to tender their shares. This reflects consideration of several factors, including the fact that the Tender Offer Price should ultimately be determined based on the outcome of discussions and negotiations carried out between the Tender Offeror and the Target Company’s Major Shareholders. Also, given that the Tender Offeror does not plan to delist the shares of the Target Company, and that the Target Company intends to maintain the listing of its shares after completing the Tender Offer, the shareholders of the Target Company have sufficiently reasonable grounds to choose to retain ownership of the Target Company’s stock after the Tender Offer. Furthermore, among the directors of the Target Company, Mr. Yamazaki did not participate in the deliberations and resolutions of the Target Company’s Board of Directors to express an opinion on the Tender Offer from the standpoint of avoiding any risk of a conflict of interest since he had concluded a Main Shareholder Agreement with the Tender Offeror.

Furthermore, all 3 corporate auditors of the Target Company, including 2 outside corporate auditors, attended the above meeting of the Board of Directors. The corporate auditors expressed a unanimous opinion to the effect that they had no objections to the resolutions adopted by the Board of Directors, namely to express an opinion to support the Tender Offer, and to allow the Target Company’s shareholders to decide for themselves whether or not to tender their shares.

(2) Purpose and Background of Decision to Conduct Tender Offer and Management Policy After Tender Offer

As a group consisting of the Target Company and 1 subsidiary, the Target Company Group’s core business is to provide services subject to application of the Long-Term Care Insurance Act, primarily in the Kyushu and Yamaguchi regions and the Kanto region of Japan. The Group has three businesses: (1) the daycare service business, where daycare services are provided to users, including daily transportation and bathing services; (2) the facility-based care service business, which provides fee-based nursing homes, group homes, and small-scale, multipurpose senior

residences with nursing care services and condominiums for seniors, etc.; and (3) the homecare service business, which provides homecare services such as at-home nursing care and rehabilitation, home help and care plan preparation.

In the nursing care services sector, in which the Target Company operates, the reimbursement structure for nursing care services was amended in April 2012. Furthermore, the Act for Partial Revision of the Long-Term Care Insurance Act, Etc., in Order to Strengthen Long-Term Care Service Infrastructure, which was enacted in June 2011, has entered force. These trends have highlighted the need to address new nursing care services associated with the new law, to separate medical and nursing care functions, and to strengthen cooperation to cope with amendments coinciding with a change in the reimbursement structure for medical services.

Under these conditions, the Target Company Group has worked in the daycare service business to open new daycare service centers and carry out renovations to increase the facility utilization rate of existing facilities, as part of efforts to attract new users and enhance services. In the facility-based care service business, the Group has opened new fee-based nursing homes, while conducting vigorous sales activities. At the same time, it has focused on improving the tenant occupancy rates at existing facilities. In the homecare service business, the Group has focused on achieving efficient operations by taking steps to enhance profitability, such as revising personnel assignments and operational procedures, as well as integrating rehabilitation centers.

In March 2006, ACA launched Ant Care Business No. 1, the industry's first fund specializing in the nursing care sector. Ever since, ACA has invested in companies operating nursing care businesses, while participating in management and providing business support to such companies. Furthermore, ACA has launched the second fund of this series, which has invested in nursing care business and businesses related to healthcare. Through these funds, ACA has obtained knowledge and built up a network in the healthcare sector. From around 2006, ACA has occasionally exchanged opinions and information with the Target Company's management.

The Sompo Japan Group seeks to satisfy various customer needs arising from the diversification of risk associated with changes in social and economic systems. To this end, the Group is developing a structure to provide high-quality products and services in fields such as support for medium- and long-term asset formation and services designed to prevent, mitigate and manage a variety of risks, in addition to the P&C and the life insurance businesses. In the healthcare business, Zenkoku Homon Kenko Shido Kyokai K.K. (Healthcare Frontier Japan Inc.) and Sompo Japan Healthcare Services Inc. have provided health enhancement and disease prevention services for both mental and physical health. As its first healthcare venture, Sompo Japan established Healthcare Frontier Japan Inc. in 2005 as a joint venture with OMRON

HEALTHCARE Co., Ltd. to provide services designed to prevent lifestyle-related diseases. In January 2009, Sompo Japan acquired all shares of Zenkoku Homon Kenko Shido Kyokai K.K., Japan's largest health counseling service provider, and merged it with Healthcare Frontier Japan Inc. on April 1, 2009. The merger enabled Sompo Japan to establish Japan's largest health counselor network, comprising about 1,000 health counselors nationwide, capable of providing high-quality services in all regions of Japan. Established in April 2007, Sompo Japan Healthcare Services Inc. provides comprehensive support for mental health measures, which is a key management priority for companies. The company provides an Employee Assistance Program (EAP) along with comprehensive solutions designed to solve issues faced by corporate management, personnel and labor affairs divisions, and occupational physicians and other occupational healthcare staff.

Furthermore, to address the needs of Japan's super-aged society, Sompo Japan had been exploring the option of entering the nursing care service business as an addition to the healthcare business. Recognizing ACA's knowledge, network, and other assets in the nursing care sector, including the launch of the venture capital industry's first fund specializing in nursing care, Sompo Japan decided to work closely with ACA to develop business in this field.

In exploring ways of entering the nursing care services business, ACA and Sompo Japan identified the Target Company as an optimal business partner that would complement ACA's business management approaches and Sompo Japan's regional networks. This is based on the Target Company's provision of comprehensive services spanning daycare services and at-home nursing services, in addition to fee-based nursing homes, in various regions across Japan. Another factor was that the Target Company possesses advanced rehabilitation technology reflecting its origins as the rehabilitation department of a hospital group. Moreover, the two companies believe that partnering with the Target Company will enable Sompo Japan to provide a more expansive range of services in the healthcare field—services related to the lifelong peace of mind, security and health of customers and their families. This goal is in line with Sompo Japan's ambitions to evolve into a most highly evaluated service company.

Under these conditions, since June 2011, ACA and Sompo Japan have worked closely to exchange opinions with the Target Company's management on various options, with the aim of enhancing the Target Company's sustained growth and improvement in corporate value. In November 2011, ACA explained how it could provide the Target Company with vigorous support for the execution of business strategies, as evidenced by the track record of growth achieved by multiple ACA investments in the past, and the possibility of a business alliance in the future. ACA also explained how Sompo Japan could provide management support measures such as by reinforcing management personnel and promoting cooperation between the Target

Company and its sales network. Based on the foregoing, ACA made a preliminary proposal on the Capital and Business Alliance Agreement to the management of the Target Company.

The Target Company believes that it must make proactive upfront investments and strengthen its management framework in order to drive future business expansion and improve its corporate value. It has extensively considered various options to address the market environment it faces, which is significantly swayed by economic conditions, government policies, and other factors. However, proactive and large upfront investment necessarily entails a sharp increase in costs in the short term, including personnel costs at new sites, and depreciation resulting from investment in fixed assets. Also, business results could be negatively impacted by intensified competition given expectations of an expansion in business of existing nursing care service providers and an increase in new entrants into the sector. Meanwhile, the Target Company recognized that ACA has a sound investment track record in the healthcare sector, and possesses expertise to provide support after executing investment. In addition, the Target Company held Sompo Japan in high esteem, as one of Japan's leading P&C insurance companies and because of the credibility and trust it has fostered over many years.

The management of the Target Company therefore carefully reviewed the contents of the proposal received from the Tender Offeror from many perspectives over an extensive period of time, and confirmed the overall direction of the proposal. Thereafter, the Target Company, the Target Company's Major Shareholders and the Tender Offeror conducted concrete discussions and negotiations on whether to implement the Tender Offer, the conditions, and other factors. As a result, all parties agreed to implement the Tender Offer on August 13, 2012.

After the completion of the Tender Offer, the Tender Offeror will work to strengthen ties with the Target Company based on the Capital and Business Alliance Agreement concluded between the Tender Offeror and the Target Company. In other words, the Tender Offeror plans to establish a structure for improving the Target Company's corporate value together with the Target Company's directors and employees. Measures will include the following: Subject to approval by resolution of the first General Meeting of Shareholders to be held after the conclusion of the Agreement, the Tender Offeror will dispatch a number of directors in proportion to the Tender Offeror's voting interest in the Target Company. In addition, prior to the dispatch of directors, the Target Company's Executive Committee will be transformed into a body that fulfills such roles as discussing the agenda to be put forward to the Target Company's Board of Directors in advance, and one member of the Executive Committee will be assigned by the Tender Offeror, based on discussions with the Target Company. The candidates for directors and the candidate for the member of the Executive Committee to be dispatched by the Tender Offeror have yet to be determined. The Tender Offeror and the Target Company plan to

determine the candidates based on discussions after the completion of the Tender Offer. Following the Tender Offer, Mr. Yamazaki is to remain involved in management as the president of the Target Company. The Target Company is to become an affiliated company of Sompo Japan.

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

(i) Request for Valuation Analysis From an Independent Third-Party Appraiser

For the purpose of determining the Tender Offer Price, the Tender Offeror obtained a valuation analysis (hereinafter, the “Valuation Analysis”) of the Target Company’s stock from Mizuho Securities Co., Ltd. (hereinafter “Mizuho Securities”), a financial advisor, as a third-party appraiser independent of the Tender Offeror and the Target Company on August 10, 2012, and used it as a reference to determine the Tender Offer Price. (The Tender Offeror did not receive a fairness opinion concerning the Tender Offer Price.)

In conducting the Valuation Analysis of the Target Company’s stock, Mizuho Securities considered it is appropriate to conduct a multifaceted evaluation based on factors including the financial condition of the Target Company and the trends in the public market share prices of the Target Company’s Stock. Accordingly, Mizuho Securities used Market Price Analysis, Comparable Companies Analysis, and Discounted Cash Flow (DCF) Analysis (hereinafter, “DCF Analysis”) to conduct the Valuation Analysis of the Target Company’s stock.

With Market Price Analysis, the range of per-share values produced was 401 yen to 410 yen. This range was calculated based on the reference date of August 10, 2012, and based on the closing price on the reference date (402 yen), as well as the weighted average closing price of trading for the most recent one month (408 yen), the weighted average closing price of trading for the most recent three months (401 yen), and the weighted average closing price of trading for the most recent six months (410 yen).

Under Comparable Companies Analysis, multiple corporations that are engaged in a business similar to that of the Target Company are selected from among listed companies, and a valuation analysis of the Target Company’s stock is performed through comparison of public market share prices and financial performance indicators of profitability. Based on this analysis, the range of per-share values produced for the Target Company’s stock was 583 yen to 683 yen.

The DCF Analysis estimates future cash flows to be generated by the Target Company’s business activities based on the Target Company’s future earnings forecasts, taking into consideration factors such as information about the Target Company received by Mizuho Securities, recent business performance trends, and various publicly disclosed information, then

discounts these cash flows back at a certain discount rate to the present value to analyze the equity value of the Target Company. Under this method, the range of per-share values produced for the Target Company's stock was 565 yen to 667 yen.

In regard to the Tender Offer Price, while considering the results of the Valuation Analysis obtained from Mizuho Securities, the Tender Offeror comprehensively considered and reviewed whether or not the Target Company's Board of Directors would support the Tender Offer, trends in the market price of the Target Company's Stock and other factors. Following discussions and negotiations with the Target Company's Major Shareholders, the Tender Offeror decided on August 13, 2012 to set the Tender Offer Price at 610 yen per share.

The Tender Offer Price represents a premium of 51.74% (rounded to the 2nd decimal place) on the 402 yen closing price of the Target Company's Stock on JASDAQ on August 10, 2012, the business day directly before the announcement of the Tender Offer. It also represents a premium of 49.51% (rounded to the 2nd decimal place) on the 408 yen simple average price (rounded) of the closing price of the Target Company's stock for the past one month. It represents a premium of 54.04% (rounded to the 2nd decimal place) on the 396 yen simple average price (rounded) of the closing price of the Target Company's stock for the past three months. And it represents a premium of 50.62% (rounded to the 2nd decimal place) on the 405 yen simple average price (rounded) of the closing price of the Target Company's stock for the past six months.

(ii) Approval by All of the Target Company's Directors and Corporate Auditors Without Conflicts of Interest

According to the Target Company Press Release, the Target Company intends to build a strong alliance with the Tender Offeror by concluding a Capital and Business Alliance Agreement, while emphasizing a stable equity-based relationship premised on the completion of the Tender Offer, as the Target Company has determined that this will contribute to improving its corporate value and the collective interests of shareholders. The Target Company Press Release states that at a Board of Directors meeting held on August 13, 2012, the Target Company resolved to express its opinion to support the Tender Offer by a unanimous decision of all directors participating in the deliberations and the resolution (all 3 out of 4 directors in attendance (including 1 outside director)). On the other hand, in regard to the "Tender Offer Price", the Target Company has resolved to reserve an opinion on the appropriateness of the Tender Offer Price and to allow the Target Company's shareholders to decide for themselves whether or not to tender their shares. This reflects consideration of several factors, including the fact that the Tender Offer Price should ultimately be determined based on the outcome of

discussions and negotiations carried out between the Tender Offeror and the Target Company's Major Shareholders. Also, given that the Tender Offeror does not plan to delist the Target Company's Stock and that the Target Company intends to maintain the listing of its shares after completing the Tender Offer, the shareholders of the Target Company have sufficiently reasonable grounds to choose to retain ownership of the Target Company's stock after the Tender Offer. Furthermore, among the directors of the Target Company, Mr. Yamazaki did not participate in the deliberations and resolutions of the Target Company's Board of Directors to express an opinion on the Tender Offer, from the standpoint of avoiding any risk of a conflict of interest since he had concluded a Shareholder Agreement with the Tender Offeror.

Furthermore, all 3 corporate auditors of the Target Company, including 2 outside corporate auditors, attended the above meeting of the Board of Directors. The corporate auditors expressed a unanimous opinion to the effect that they had no objections to the resolutions adopted by the Board of Directors, namely to express an opinion to support the Tender Offer, and to allow the Target Company's shareholders to decide for themselves whether or not to tender their shares.

(4) Matters Regarding Important Agreements Related to the Tender Offer

(i) Capital and Business Alliance Agreement

In connection with the Tender Offer, the Tender Offeror concluded a Capital and Business Alliance Agreement with the Target Company on August 13, 2012. The purpose of the Capital and Business Alliance Agreement is to achieve the sustained growth of the Target Company by combining the Target Company's expertise, human resources, and other assets with the networks, credibility and other resources of the Tender Offeror (the Investment LPS Partners). Under the Agreement, the Tender Offeror shall hold a 34% voting interest in the Target Company. Furthermore, the Tender Offeror plans to establish a structure for improving the Target Company's corporate value together with the Target Company's directors and employees. Measures will include the following: (i) Subject to approval by resolution of the first General Meeting of Shareholders to be held after the conclusion of the Agreement, the Tender Offeror will dispatch a number of directors in proportion to the Tender Offeror's voting interest in the Target Company; and (ii) prior to the dispatch of directors, the Target Company's Executive Committee will be transformed into a body that fulfills such roles as discussing the agenda to be put forward to the Target Company's Board of Directors in advance, and one member of the Executive Committee will be assigned by the Target Company, based on discussions with the Target Company. In other areas, the Agreement stipulates that the Target Company shall obtain the prior consent of the Tender Offeror when conducting the following: a merger, corporate split,

stock exchange and stock transfer; withdrawal from an existing nursing care business; or a business that may not be conducted by an affiliated corporation of an insurance company based on the Insurance Business Act; and other important matters.

(ii) Tender Offer Support Agreement

On August 13, 2012, the Tender Offeror concluded a Tender Offer Support Agreement with the Target Company's Major Shareholders. Under the Agreement, the Target Company's Major Shareholders have agreed to tender all their shares of the Target Company's Stock (a total of 1,575,200 shares, representing a shareholding of 27.45%) in the Tender Offer.

(iii) Shareholder Agreement

In connection with the Tender Offer, the Tender Offeror concluded a Shareholder Agreement with Mr. Yamazaki on August 13, 2012. The two parties agreed on the following: the Tender Offeror shall not request the dismissal of Mr. Yamazaki from his post of director without a rational reason; Mr. Yamazaki shall not resign from his post of representative director of the Target Company without the consent of the Tender Offeror; if either Mr. Yamazaki or the Tender Offeror wishes to dispose of or purchase additional shares of the Target Company's Stock, both parties shall discuss such matters in advance; and Mr. Yamazaki shall not directly or indirectly compete in business with the Target Company while he is either a director or employee of the Target Company, or for three years from the day that he ceases to be a director or employee of the Target Company due to causes attributable to himself. The Tender Offeror has not entered into agreement with Mr. Yamazaki on the joint purchase or transfer of the Target Company's Stock; the exercise of voting rights and other rights as a shareholder of the Target Company; or mutual sale or transfer of the Target Company's Stock after the purchase of said stock by the Tender Offeror or other such actions.

(5) Plans to Purchase Additional Shares After the Tender Offer

As part of the Capital and Business Alliance, the Tender Offeror intends to purchase a voting interest of 34% in the Target Company by conducting the Tender Offer. If the Tender Offeror achieves this goal through the Tender Offer, it does not plan at this stage to purchase additional shares of the Target Company's Stock after the Tender Offer. Even if the Tender Offeror is unable to achieve its goal of purchasing a voting interest of 34% in the Target Company, the Tender Offeror does not plan at this stage to purchase additional shares of Target Company's Stock after the Tender Offer.

(6) Probability of Delisting

The Tender Offeror does not plan to delist the shares in the Target Company following the Tender Offer. The Tender Offeror will conduct the Tender Offer for the purchase of up to 1,950,900 shares (shareholding: 34.00%), and therefore plans to maintain the listing of the Target Company's Stock on JASDAQ after the Tender Offer.

2. Outline of the Tender Offer

(1) Outline of the Target Company

(i) Company Name	Cedar Co., Ltd.	
(ii) Address	1-7-19, Obatake, Kokurakita-ku, Kitakyushu-shi, Fukuoka, Japan	
(iii) Name and Title of Representative	Yoshitada Yamazaki, president	
(iv) Main Business	Daycare, facility-based care and homecare services businesses	
(v) Capital	¥432,280,000 (as of March 31, 2012)	
(vi) Established	April 25, 1981	
(vii) Major Shareholders and Ownership Ratio (as of March 31, 2012)	Yoshitada Yamazaki	25.40%
	BUSINESS TRUST Co., Ltd.	16.46%
	Tachibana Ltd.	10.45%
	Takayasu Zakoda	4.98%
	Cedar Trading Partner Shareholding Association	4.64%
	Masumi Kamachi	3.83%
	Naokuni Tsurusaki	3.67%
	Cedar Employee Shareholding Association	2.31%
	Akiko Kamachi	1.74%
	Shigeru Fujii	1.74%
(viii) Relationship of Listed Company and Target Company	Capital Relationship	Not applicable.
	Personnel Relationship	Not applicable.
	Business Relationship	Not applicable.
	Related Party Status	Not applicable.

(2) Class of Shares to Be Purchased through Tender Offer

Common stock

(3) Tender Offer Period

(i) Term of Tender Offer Period as of the Filing of the Tender Offer Statement

From Tuesday, August 14, 2012 to Thursday, September 13, 2012 (23 business days)

(ii) Possibility of Extension of Tender Offer Period Upon Request of the Target Company

In accordance with the stipulations of Article 27-10, Paragraph 3 of the Financial Instruments and Exchange Act, if the Tender Offeror receives a Target Company's Position Statement from the Target Company indicating a request for an extension of the period of the Tender Offer (hereinafter, the "Tender Offer Period"), the Tender Offer Period shall be extended to 30 business days through Tuesday, September 25, 2012.

(4) Tender Offer Price

¥610 per share of common stock

(5) Basis of the Tender Offer Price

(i) Calculation Basis

For the purpose of determining the Tender Offer Price, the Tender Offeror obtained the Valuation Analysis of the Target Company's stock from Mizuho Securities, a financial advisor, as a third-party appraiser independent of the Tender Offeror and the Target Company on August 10, 2012 and used it as reference to determine the Tender Offer Price. (The Company did not receive a fairness opinion concerning the Tender Offer Price.)

When conducting the Valuation Analysis of the Target Company's stock, Mizuho Securities considered it appropriate to conduct a multifaceted evaluation based on factors including the financial condition of the Target Company and the trends in the public market share prices of the Target Company's Stock. Accordingly, Mizuho Securities used Market Price Analysis, Comparable Companies Analysis, and DCF Analysis to conduct the Valuation Analysis of the Target Company's stock.

With Market Price Analysis, the range of per-share values produced was 401 yen to 410 yen. This range was calculated based on the reference date of August 10, 2012, and based on the closing price on the reference date (402 yen), as well as the weighted average closing price of trading for the most recent one month (408 yen), the weighted average closing price of trading for the most recent three months (401 yen), and the weighted average closing price of trading for the most recent six months (410 yen).

Under Comparable Companies Analysis, multiple corporations that are engaged in a business similar to that of the Target Company are selected from among listed companies, and a valuation analysis of the Target Company's stock is performed through comparison of public market share prices and financial performance indicators of profitability. Based on this analysis,

the range of per-share values produced for the Target Company's stock was 583 yen to 683 yen.

The DCF Analysis estimates future cash flows to be generated by the Target Company's business activities based on the Target Company's future earnings forecasts, taking into consideration factors such as information about the Target Company received by Mizuho Securities, recent business performance trends, and various publicly disclosed information, then discounts these cash flows back at a certain discount rate to the present value to analyze the equity value of the Target Company. Under this method, the range of per-share values produced for the Target Company's stock was 565 yen to 667 yen.

In regard to the Tender Offer Price, while considering the results of the Valuation Analysis obtained from Mizuho Securities, the Tender Offeror comprehensively considered and reviewed whether or not the Target Company's Board of Directors would support the Tender Offer, trends in the market price of the Target Company's Stock and other factors. Following discussions and negotiations with the Target Company's Major Shareholders, the Tender Offeror decided on August 13, 2012 to set the Tender Offer Price at 610 yen per share.

The Tender Offer Price represents a premium of 51.74% (rounded to the 2nd decimal place) on the 402 yen closing price of the Target Company's Stock on JASDAQ on August 10, 2012, the business day directly before the announcement of the Tender Offer. It also represents a premium of 49.51% (rounded to the 2nd decimal place) on the 408 yen simple average price (rounded) of the closing price of the Target Company's stock for the past one month. It represents a premium of 54.04% (rounded to the 2nd decimal place) on the 396 yen simple average price (rounded) of the closing price of the Target Company's stock for the past three months. And it represents a premium of 50.62% (rounded to the 2nd decimal place) on the 405 yen simple average price (rounded) of the closing price of the Target Company's stock for the past six months.

(ii) Calculation Background

(Course of events leading to decision on the Tender Offer Price)

In March 2006, ACA launched Ant Care Business No. 1, the industry's first fund specializing in the nursing care sector. Ever since, ACA has invested in companies operating nursing care businesses, while participating in management and providing business support to such companies. Furthermore, ACA has launched the second fund of this series, which has invested in nursing care business and adjacent medical businesses. Through these funds, ACA has obtained knowledge and built up a network in the healthcare sector. From around 2006, ACA has occasionally exchanged opinions and information with the Target Company's management.

The Sompo Japan Group seeks to satisfy various customer needs arising from the

diversification of risk associated with changes in social and economic systems. To this end, the Group is developing a structure to provide high-quality products and services in fields such as support for medium- and long-term asset formation and services designed to prevent, mitigate and manage a variety of risks, in addition to the P&C and the life insurance businesses. In the healthcare business, Zenkoku Homon Kenko Shido Kyokai, K.K. (Healthcare Frontier Japan Inc.) and Sompo Japan Healthcare Services Inc. have provided health enhancement and disease prevention services for both mental and physical health. As its first healthcare venture, Sompo Japan established Healthcare Frontier Japan Inc. in 2005 as a joint venture with OMRON HEALTHCARE Co., Ltd. to provide services designed to prevent lifestyle-related diseases. In January 2009, Sompo Japan acquired all shares of Zenkoku Homon Kenko Shido Kyokai K.K., Japan's largest health counseling service provider. On April 1, 2009, this company was merged with Healthcare Frontier Japan Inc. The merger enabled Sompo Japan to establish Japan's largest health counselor network, comprising about 1,000 health counselors nationwide, capable of providing high-quality services in all regions of Japan. Established in April 2007, Sompo Japan Healthcare Services Inc. provides comprehensive support for mental health measures, which is a key management priority for companies. The company provides an Employee Assistance Program (EAP) along with comprehensive solutions designed to solve issues faced by corporate management, personnel and labor affairs divisions, and occupational physicians and other occupational healthcare staff.

Furthermore, to address the needs of Japan's super-aged society, Sompo Japan had explored the possibility of entering the nursing care service business, as an addition to the healthcare business. Recognizing ACA's knowledge, network, and other assets in the nursing care sector, including the launch of the venture capital industry's first fund specializing in nursing care, Sompo Japan has decided to work closely with ACA to develop business in this field.

In exploring ways of entering the nursing care services business, ACA and Sompo Japan identified the Target Company as an optimal business partner that would complement ACA's business management approaches and Sompo Japan's regional networks. This is based on the Target Company's provision of comprehensive services spanning daycare services and at-home nursing services, in addition to fee-based nursing homes, in various regions across Japan. Another factor was that the Target Company possesses advanced rehabilitation technology reflecting its origins as the rehabilitation department of a hospital group. Moreover, the two companies believe that partnering with the Target Company will enable Sompo Japan to provide a more expansion range of services in the healthcare field—services related to the lifelong peace of mind, security and health of customers and their families. This goal is in line with Sompo Japan's ambitions to evolve into a most highly evaluated service company.

Under these conditions, since around June 2011, ACA and Sompo Japan have worked closely to exchange opinions with the Target Company's management on various options, with the aim of enhancing the Target Company's sustained growth and improvement in corporate value. In November 2011, ACA explained how it could provide the Target Company with vigorous support for the execution of business strategies, as evidenced by the track record of growth achieved by multiple ACA investments in the past, and the possibility of a business alliance in the future. ACA also explained how Sompo Japan could provide management support measures such as by reinforcing management personnel and promoting cooperation between the Target Company and its sales network. Based on the foregoing, ACA made a preliminary proposal on the Capital and Business Alliance Agreement to management of the Target Company.

The Target Company believes that it must make proactive upfront investments and strengthen its management framework in order to drive future business expansion and improve its corporate value. It has extensively considered various options to address the market environment it faces, which is significantly swayed by economic conditions, government policies, and other factors. However, proactive and large upfront investment necessarily entails a sharp increase in costs in the short term, including personnel costs at new sites, and depreciation resulting from investment in fixed assets. Also, business results could be negatively impacted by intensified competition given expectations of an expansion in business of existing nursing care service providers and an increase in new entrants into the sector. Meanwhile, the Target Company recognized that ACA has a sound investment track record in the healthcare sector, and possesses expertise to provide support after executing investment. In addition, the Target Company held Sompo Japan in high esteem, as one of Japan's leading P&C insurance companies and because of the credibility and trust it has fostered over many years. The management of the Target Company carefully reviewed the contents of the proposal received from the Tender Offeror from many perspectives over an extensive period of time, and confirmed the overall direction of the proposal. Thereafter, the Target Company, the Target Company's Major Shareholders and the Tender Offeror conducted concrete discussions and negotiations on whether to implement the Tender Offer, the conditions, and other factors. As a result, all parties agreed to implement the Tender Offer on August 13, 2012, and determined the Tender Offer Price following the course of events described below.

(Name of Third Party Who Performed the Valuation)

For the purpose of determining the Tender Offer Price, the Tender Offeror asked Mizuho Securities, a financial advisor, to conduct the Valuation Analysis of the Target Company's stock, as a third-party appraiser independent of the Tender Offeror and the Target Company. The

Tender Offeror received the Valuation Analysis from Mizuho Securities on August 10, 2012 and used it as a reference to determine the Tender Offer Price. (The Tender Offeror did not receive a fairness opinion concerning the Tender Offer Price.)

(Overview of Opinion)

When conducting the Valuation Analysis of the Target Company's stock, Mizuho Securities considered it appropriate to conduct a multifaceted evaluation based on consideration of factors including the financial condition of the Target Company and the trends in the public market share prices of the Target Company's Stock. Accordingly, Mizuho Securities used Market Price Analysis, Comparable Companies Analysis, and DCF Analysis to conduct the Valuation Analysis of the Target Company's stock.

With Market Price Analysis, the range of per-share values produced was 401 yen to 410 yen. This range was calculated based on the reference date of August 10, 2012, and based on the closing price on the reference date (402 yen), as well as the weighted average closing price of trading for the most recent one month (408 yen), the weighted average closing price of trading for the most recent three months (401 yen), and the weighted average closing price of trading for the most recent six months (410 yen).

Under Comparable Companies Analysis, multiple corporations that are engaged in a business similar to that of the Target Company are selected from among listed companies, and a valuation analysis of the Target Company's stock is performed through comparison of public market share prices and financial performance indicators of profitability. Based on this analysis, the range of per-share values produced for the Target Company's stock was 583 yen to 683 yen.

The DCF Analysis estimates future cash flows to be generated by the Target Company's business activities based on the Target Company's future earnings forecasts, taking into consideration factors such as information about the Target Company received by Mizuho Securities, recent business performance trends, and various publicly disclosed information, then discounts these cash flows back at a certain discount rate to the present value to analyze the equity value of the Target Company. Under this method the range of per-share values produced for the Target Company's stock was 565 yen to 667 yen.

(Course of Events Leading to Decision on Tender Offer Price Based on the Opinion)

In regard to the Tender Offer Price, while considering the results of the Valuation Analysis obtained from Mizuho Securities, the Tender Offeror comprehensively considered and reviewed whether or not the Target Company's Board of Directors would support the Tender Offer, trends in the market price of the Target Company's Stock and other factors. Following

discussions and negotiations with the Target Company's Major Shareholders, the Tender Offeror decided on August 13, 2012 to set the Tender Offer Price at 610 yen per share.

The Tender Offer Price represents a premium of 51.74% (rounded to the 2nd decimal place) on the 402 yen closing price of the Target Company's Stock on JASDAQ on August 10, 2012, the business day directly before the announcement of the Tender Offer. It also represents a premium of 49.51% (rounded to the 2nd decimal place) on the 408 yen simple average price (rounded) of the closing price of the Target Company's stock for the past one month. It represents a premium of 54.04% (rounded to the 2nd decimal place) on the 396 yen simple average price (rounded) of the closing price of the Target Company's stock for the past three months. And it represents a premium of 50.62% (rounded to the 2nd decimal place) on the 405 yen simple average price (rounded) of the closing price of the Target Company's stock for the past six months.

(iii) Relationship With the Appraiser

Mizuho Securities, the Tender Offeror's financial advisor (appraiser), does not fall under the category of "related party" of the Tender Offeror, and does not have a material beneficial interest in the Tender Offer.

(6) Expected Number of Shares, etc. to Be Purchased in the Tender Offer

Expected Number of Shares to Be Purchased	1,950,900 shares
Minimum Number of Shares to Be Purchased	1,575,200 shares
Maximum Number of Shares to Be Purchased	1,950,900 shares

(Note 1) If the total number of tendered shares is less than the minimum number of shares to be purchased (of 1,575,200 shares), the Tender Offeror will not purchase all the tendered shares. If the total number of tendered shares is greater than the maximum number of shares to be purchased (1,950,900), the Tender Offeror will not purchase all or part of the tendered shares exceeding the maximum number of shares to be purchased. In this case, the Tender Offeror will conduct transfer of share certificates, etc. and other settlement procedures in respect of a tender offer for shares through the Proportional Distribution Method prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act and Section 32 of the Ordinance.

(Note 2) The Tender Offeror will not purchase any treasury stock held by the Target Company through the Tender Offer.

(Note 3) Shares constituting less than one unit are also subject to the Tender Offer. If

shareholders exercise their right to request purchase of shares constituting less than one unit in accordance with the Companies Act of Japan, the Target Company may purchase its own shares during the Tender Offer Period in accordance with the procedures prescribed by law.

(7) Change in Proportion of Ownership of Shares, etc. After the Tender Offer

Number of Voting Rights Represented by Shares, etc. Owned by the Tender Offeror before the Tender Offer	-	(Share Ownership of Shares, etc. before the Tender Offer: -%)
Number of Voting Rights Represented by Shares, etc., Owned by Parties having Special Relationship with the Tender Offeror before the Tender Offer	-	(Share Ownership of Shares, etc. before the Tender Offer: -%)
Number of Voting Rights Represented by Shares, etc. to be Purchased	19,509	(Share Ownership of Shares, etc. after the Tender Offer: 34.00%)
Total Number of Voting Rights of All Shareholders of the Target Company	57,375	

(Note 1) “Number of Voting Rights Represented by Shares, etc. to be Purchased” is the number of voting rights attached to the 1,950,900 shares expected to be purchased in the Tender Offer.

(Note 2) “Total Number of Voting Rights of All Shareholders of the Target Company” is based on the total number of voting rights of all shareholders as of June 30, 2012, as stated in the Target Company's First-Quarter Report for the 32nd Period filed on August 13, 2012. However, since shares constituting less than one unit are subject to the Tender Offer, the calculation of “Share Ownership of Shares, etc. before the Tender Offer” and “Share Ownership of Shares, etc. after the Tender Offer,” uses 57,380 as the “Total Number of Voting Rights of All Shareholders of the Target Company,” which includes the number of voting rights (5) associated with the number of shares constituting less than one unit (500 shares) as of June 30, 2012, as shown in the aforementioned First-Quarter Report of the Target Company.

(Note 3) The “Share Ownership of Shares, etc. before the Tender Offer” and the “Share Ownership of Shares, etc. after the Tender Offer” are rounded to the second decimal place.

(8) Funds, Etc. Required for the Tender Offer

¥1,190 million

(Note) The above amount is the Tender Offer Price per share (610 yen) multiplied by the 1,950,900 shares expected to be purchased in the Tender Offer.

(9) Method of Settlement

(i) Name and Location of Head Office of Securities Company, Bank, etc. to Settle the Tender Offer

Mizuho Securities Co., Ltd.

1-5-1, Otemachi, Chiyoda-ku, Tokyo

(ii) Commencement Date of Settlement

September 20, 2012 (Thursday)

In accordance with the stipulations of Article 27-10, Paragraph 3 of the Financial Instruments and Exchange Act, if the Tender Offeror receives a Target Company's Position Statement from the Target Company indicating a request for an extension of the Tender Offer Period, the commencement date of settlement shall be postponed to Monday, October 1, 2012.

(iii) Settlement Procedure

Promptly after the end of the Tender Offer Period, a notice of purchase through the Tender Offer will be mailed to the address of tendering shareholders (or to the address of the standing proxy in the case of non-resident shareholders). Payment of the purchase price will be made in cash. The Tender Offer Agent who accepted the tendered shares will, in accordance with the instructions of the tendering shareholder (or the standing proxy in the case of non-resident shareholders), remit to the location designated by the tendering shareholder (or the standing proxy in the case of non-resident shareholders) the purchase price for shares promptly after the commencement date of settlement. Alternatively, the Tender Offer Agent who accepted the tendered shares will remit payment for the purchase price for the shares into an account of the tendering shareholder promptly after the commencement date of settlement.

(iv) Method for Returning Share Certificates

If all or part of the tendered shares are not purchased, in accordance with "(i) Existence and Details of Conditions Listed under Paragraph 4 of Article 27-13 of the Financial Instruments and Exchange Act" or "(ii) Existence of Conditions for Withdrawal, etc. of the Tender Offer, Details Thereof, and Manner of Disclosing Withdrawal, etc." of "(10) Other Conditions and Procedures Relating to the Tender Offer" below, the Tender Offer Agent shall return shares that must be returned to the status before the shares were tendered, promptly after the

commencement date of settlement (or the date of withdrawal of the Tender Offer in the case of withdrawal of the Tender Offer.)

(10) Other Conditions and Procedures Relating to the Tender Offer

(i) Existence and Details of Conditions Listed under Paragraph 4 of Article 27-13 of the Financial Instruments and Exchange Act

If the total number of tendered shares is less than the minimum number of shares to be purchased (1,575,200 shares), the Tender Offeror will not purchase all the tendered shares. If the total number of tendered shares is greater than the maximum number of shares to be purchased (1,950,900), the Tender Offeror will not purchase all or part of the tendered shares exceeding the maximum number of shares to be purchased. In this case, the Tender Offeror will conduct transfer of share certificates, etc. and other settlement procedures in respect of a tender offer for shares through the Proportional Distribution Method prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act and Section 32 of the Ordinance (If the number of shares tendered by a shareholder includes a number of shares less than one unit, the maximum number of shares to be purchased using the Proportional Distribution Method calculation shall be the number of tendered shares.)

If the total number of shares to be purchased from tendering shareholders, calculated by rounding any shares numbering less than one unit resulting from the Proportional Distribution Method calculation, is less than the maximum number of shares to be purchased, the Tender Offeror shall purchase one additional unit share per tendering shareholder, in descending order, beginning with tendering shareholders with the greatest number of rounded-down shares until the total number of shares to be purchased is no fewer than the maximum number of shares to be purchased (if the number of tendered shares is exceeded as a result of the purchase of additional unit shares, the number shall be limited to the number of tendered shares). However, if the maximum number of shares to be purchased is exceeded when using this method to purchase shares from all of several tendering shareholders who hold an equal numbers of shares that have been rounded down, the Tender Offeror will determine the shareholders from which it will purchase additional shares by lottery from among the said tendering shareholders, selecting only enough shareholders to reach the maximum number of shares to be purchased.

If the total number of shares to be purchased from tendering shareholders, as calculated by rounding any shares numbering less than one unit resulting from the Proportional Distribution Method calculation, is greater than the maximum number of shares to be purchased, the Tender Offeror shall reduce, by one unit, the number of shares to be purchased from each tendering shareholder, in descending order, beginning with tendering shareholders that own the most

rounded-up number of shares until the total number of shares to be purchased is no less than the maximum number of shares to be purchased (if a part of the number of shares to be purchased, as calculated by the Proportional Distribution Method, consists of shares constituting less than one unit, this part of the number of shares to be purchased will be reduced). However, if the total number of shares to be purchased falls below the maximum number of shares to be purchased when using this method to purchase shares from all of several tendering shareholders who hold equal numbers of shares that were rounded up, the Tender Offeror shall determine the shareholders from which it will purchase additional shares by lottery from among the said tendering shareholders, to the extent that the total number of shares to be purchased is no less than the maximum number of shares to be purchased.

(ii) Existence of Conditions for Withdrawal, etc. of the Tender Offer, Details Thereof, and Manner of Disclosing Withdrawal, etc.

Upon the occurrence of any event listed in Article 14, Paragraph 1, Item (i) (a) to (i) , and (l) to (r), Item (iii) (a) to (h), and (j), Item (iv) as well as Article 14, Paragraph 2, Items (iii) to (vi) of the Enforcement Order of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, including subsequent amendments; hereinafter, the “Enforcement Order”), the Tender Offeror may withdraw the Tender Offer. In regard to Article 14, Paragraph 1, Item (iii) (j) of the Enforcement Order, cases corresponding to reasons listed from Item (iii) (a) to (i), shall refer to cases that fall under any of the following:

- a. False description regarding important matters or incomplete disclosure of important matters is discovered in mandatory disclosure documents filed by the Target Company in the past
- b. The occurrence of facts listed in Item (iii) (a) to (i) in respect of important subsidiaries of the Target Company

Furthermore, the Tender Offeror must submit prior notice regarding the Tender Offer to the Japan Fair Trade Commission in accordance with the provisions of Article 10, Paragraph 2 of the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No.54 of 1947, including subsequent amendments). In regard to the prior notice, up until the day before expiration of the Tender Offer Period (including extensions), if (i) the Tender Offeror receives a Prior Notice of Cease and Desist Order from the Japan Fair Trade Commission, ordering the disposal of all or some of the Target Company’s shares or transfer of some businesses or other equivalent disposal; (ii) the Cease and Desist Period for which the Prior Notice of Cease and Desist Order should be issued based on the Act Concerning

Prohibition of Private Monopolization and Maintenance of Fair Trade has not ended; or (iii) the Tender Offeror receives a temporary restraining order from a court of law for an alleged breach of the provisions of Article 10, Paragraph 1 of the same Act, the Tender Offeror may withdraw the Tender Offer due to the inability to obtain “permission, etc.,” as specified in Article 14, Paragraph 1, Item (iv) of the Enforcement Order.

Should the Tender Offeror intend to withdraw the Tender Offer, the Tender Offeror will give public notice thereof through electronic disclosure and publish such fact in the *Nihon Keizai Shimbun*; provided, however, that if it is impracticable to give such notice by the final day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Ordinance and give public notice forthwith.

iii) Existence of Conditions for Reducing the Tender Offer Price, Details Thereof, and Manner of Disclosing Reduction

Pursuant to Article 27-6, Paragraph 1, Item (i) of the Financial Instruments and Exchange Act, if the Target Company takes any action enumerated in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the purchase price of the Tender Offer in accordance with the standards prescribed by the provisions of Article 19, Paragraph 1 of the Ordinance.

Should the Tender Offeror intend to reduce the purchase price of the Tender Offer, the Tender Offeror will give public notice thereof through electronic disclosure and publish such fact in the *Nihon Keizai Shimbun*; provided, however, that if it is impracticable to give such notice by the final day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Ordinance and give public notice forthwith. If the purchase price is reduced, the Tender Offeror will purchase any and all shares or other securities tendered on and prior to such public notice at the reduced purchase price.

iv) Matters Regarding Right of Tendering Shareholders, etc. to Cancel Agreement

Tendering shareholders may cancel an application for the Tender Offer at any time during the Tender Offer Period. In the event of cancellation, the tendering shareholders must hand-deliver or send by postal mail a written request for the cancellation of the application for the Tender Offer (hereinafter, the “Written Request for Cancellation”), enclosing the Receipt of Application for the Tender Offer, by 15:00 on the last day of the Tender Offer Period to the head office or a nationwide branch of the Tender Offer Agent that accepted the application for the Tender Offer. The cancellation of the application shall be effective when the Written Request for Cancellation

is handed to or is delivered to the Tender Offer Agent. Therefore, please note that if the request is sent by postal mail, the Written Request for Cancellation will not be effective unless it is delivered to the Tender Offer Agent by 15:00 on the last day of the Tender Offer Period.

No compensation for damages or penalty payments will be claimed against any tendering shareholder by the Tender Offeror in the event that the application by the tendering shareholder is canceled. The cost of returning the share certificates held by the Tender Offeror will be borne by the Tender Offeror. Should a tendering shareholder request cancellation, the tendered share certificates will be returned promptly via the method shown in the foregoing “iv) Method for Returning Share Certificates” in “(9) Method of Settlement,” after completing the relevant request for cancellation procedures for the share certificates.

iv) Manner of Disclosure in Case of a Modification of Conditions, etc. of the Tender Offer

Except in the instances prohibited under Article 27, Paragraph 6-1 of the Financial Instruments and Exchange Act and Article 13 of the Enforcement Order, the Tender Offeror may change the conditions or other terms of the Tender Offer during the Tender Offer Period. Should any terms or conditions of the Tender Offer be changed, the Tender Offeror will give public notice thereof through electronic disclosure and publish such fact in the *Nihon Keizai Shimbun*; provided, however, that if it is impracticable to make such notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in accordance with Article 20 of the Ordinance and give public notice forthwith. The purchase of the shares tendered on or prior to such public notice will also be carried out in accordance with the amended terms and conditions.

vi) Manner of Disclosure upon Filing of an Amendment Statement

If an Amendment Statement is submitted to the Director-General of the Kanto Local Finance Bureau, the Tender Offeror will make forthwith a public announcement of the contents thereof, to the extent relevant to the contents of the public notice of the Tender Offer, in accordance with the procedures set forth in Article 20 of the Ordinance. The Tender Offeror will also amend forthwith the Tender Offer Explanatory Statement and provide an Amended Tender Offer Explanatory Statement to the tendering shareholders who received the previous Tender Offer Explanatory Statement. If, however, the amendments are limited, instead of providing an Amended Tender Offer Explanatory Statement, the Tender Offeror may prepare and deliver to the tendering shareholders a document stating the reason(s) for the amendments, the matters amended and the details of such amendments.

7) Manner of Disclosure of Results of the Tender Offer

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

8) Other

This Tender Offer shall not, directly or indirectly, be conducted in or targeted at the U.S. Moreover, U.S. postal mail service or another method/means of interstate commerce or international commerce (including, without limitation, facsimile, e-mail, Internet communication, telex, and telephone) shall not be used to conduct the Tender Offer, and the Tender Offer shall not be conducted through any U.S. stock exchange facility. Additionally, no application for this Tender Offer shall be made (i) by any of the aforementioned methods/means, (ii) through the aforementioned facilities or (iii) from the U.S.

Further, the Tender Offer Registration Statement, or the tender documents related to the Registration Statement, shall not and will not be sent or distributed to, in or from the U.S. by mail or any other method. Any application for the Tender Offer in violation of any of the aforementioned restrictions, either directly or indirectly, will not be accepted.

At the time of tender, tendering shareholders (standing proxies for non-resident shareholders) may be requested to provide the Tender Offer Agent, with representations and warranties that state the following:

i) The tendering shareholders are not located or do not reside in the U.S., both at the time of applying for the Tender Offer and at the time of the sending of the Application Form for the Tender Offer; ii) the tendering shareholders are not, directly or indirectly, receiving or sending out any information (including copies) related to this Tender Offer to, in or from the U.S.; iii) the tendering shareholders have not and will not use, directly or indirectly, in connection with the signature and submission of the Application Form for the Tender Offer, (a) U.S. postal mail service or other method/means of interstate commerce or international commerce (including, without limitation, facsimile, e-mail, Internet communication, telex, and telephone) or (b) any U.S. stock exchange facility; and iv) the tendering shareholders are not acting as proxy for any other person without investment discretion or acting as trustee/fiduciary of any other person (except those who are giving instructions on the tendering of shares from outside the U.S.).

(11) Date of Public Notice of Commencement of Tender Offer

August 14, 2012 (Tuesday)

(12) Tender Offer Agent

Mizuho Securities Co., Ltd.

1-5-1, Otemachi, Chiyoda-ku, Tokyo

3. Policy Following the Tender Offer and Future Outlook

Please refer to the aforementioned “(2) Purpose and Background of Decision to Conduct Tender Offer and Management Policy Following the Tender Offer” in “1. Purpose of the Tender Offer” with respect to the policy following the Tender Offer.

4. Other

(1) Existence of Agreements Between the Tender Offeror and the Target Company or its Officers and Details of Any Such Agreements

(i) Approval of All the Target Company’s Directors and Corporate Auditors Without Conflicts of Interest

According to the Target Company Press Release, the Target Company intends to build a strong alliance with the Tender Offeror by concluding a Capital and Business Alliance Agreement (See “(ii) Capital and Business Alliance Agreement” below), while emphasizing a stable equity-based relationship premised on the completion of the Tender Offer as the Target Company has determined that this will contribute to improving its corporate value and the collective interests of shareholders. The Target Company Press Release states that at a Board of Directors meeting held on August 13, 2012, the Target Company resolved to express its opinion to support the Tender Offer by a unanimous decision of all directors participating in the deliberations and the resolution (all 3 out of 4 directors in attendance (including 1 outside director)). On the other hand, in regard to the Tender Offer Price, the Target Company has resolved to reserve an opinion on the appropriateness of the Tender Offer Price and to allow the Target Company’s shareholders to decide for themselves whether or not to tender their shares. This reflects consideration of several factors, including the fact that the Tender Offer Price was ultimately determined based on the outcome of discussions and negotiations carried out between the Tender Offeror and the Target Company’s Major Shareholders. Also, given that the Tender Offeror does not plan to delist the shares of the Target Company and that the Target Company intends to maintain the listing of these shares after completing the Tender Offer, the shareholders of the Target Company have sufficiently reasonable grounds to choose to retain ownership of the Target Company’s stock after the Tender Offer.

Furthermore, among the directors of the Target Company, Mr. Yamazaki did not participate

in the deliberations and resolutions of the Target Company's Board of Directors meeting to express an opinion on the Tender Offer, from the standpoint of avoiding any risk of a conflict of interest since he had concluded the Shareholder Agreement (See "(iii) Shareholder Agreement" below) with the Tender Offeror.

Furthermore, all 3 corporate auditors of the Target Company, including 2 outside corporate auditors, attended the above meeting of the Board of Directors. The corporate auditors expressed a unanimous opinion to the effect that they had no objections to the resolutions adopted by the Board of Directors, namely to express an opinion to support the Tender Offer, and to allow the Target Company's shareholders to decide for themselves whether or not to tender their shares.

(ii) Capital and Business Alliance Agreement

In connection with the Tender Offer, the Tender Offeror concluded a Capital and Business Alliance Agreement with the Target Company on August 13, 2012. The purpose of the Capital and Business Alliance Agreement is to achieve the sustained growth of the Target Company by combining the Target Company's expertise, human resources, and other assets with the networks, credibility and other resources of the Tender Offeror (the Investment LPS Partners). Under the Agreement, the Tender Offeror shall hold a 34% voting interest in the Target Company. Furthermore, the Tender Offeror plans to establish a structure for improving the Target Company's corporate value together with the Target Company's directors and employees. Measures will include the following: (i) Subject to approval by resolution of the first General Meeting of Shareholders to be held after the conclusion of the Agreement, the Tender Offeror will dispatch a number of directors in proportion to the Tender Offeror's voting interest in the Target Company; and (ii) prior to the dispatch of directors, the Target Company's Executive Committee will be transformed into a body that fulfills such roles as discussing the agenda to be put forward to the Target Company's Board of Directors in advance, and one member of the Executive Committee will be assigned by the Tender Offeror, based on discussions with the Target Company. In other areas, the Agreement stipulates that the Target Company shall obtain the prior consent of the Tender Offeror when conducting the following: a merger, corporate split, stock exchange and stock transfer; withdrawal from an existing nursing care business; or a business that may not be conducted by an affiliated corporation of an insurance company based on the Insurance Business Act; and other important matters.

(iii) Shareholder Agreement

In connection with the Tender Offer, the Tender Offeror concluded a Shareholder Agreement

with Mr. Yamazaki on August 13, 2012. The two parties agreed on the following: the Tender Offeror shall not request the dismissal of Mr. Yamazaki from his post of director without a rational reason; Mr. Yamazaki shall not resign from his post of representative director of the Target Company without the consent of the Tender Offeror; in case either Mr. Yamazaki or the Tender Offeror wishes to dispose of or purchase additional shares of the Target Company's Stock, both parties shall discuss such matters in advance; and Mr. Yamazaki shall not directly or indirectly compete in business with the Target Company while he is either a director or employee of the Target Company, or for three years from the day that he ceases to be a director or employee of the Target Company due to causes attributable to himself. The Tender Offeror has not entered into agreement with Mr. Yamazaki on the joint purchase or transfer of the Target Company's Stock; the exercise of voting rights and other rights as a shareholder of the Target Company; or mutual sale or transfer of the Target Company's Stock after the purchase of said stock by the Tender Offeror or other such actions.

(2) Other Information Deemed Necessary for Investors to Determine Whether or Not to Support the Tender Offer

On August 13, 2012, the Target Company announced its Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2013 through JASDAQ. The following is an overview of first-quarter profit-and-loss and other information of the Target Company based on the announcement. Please note that this information has not been audited by an accounting auditor. Please also note that the following overview of the announcement contains only excerpts of the contents announced by the Target Company, and the Tender Offeror is not in a position to independently verify the accuracy or validity of this content and has not undertaken such verification. For details, please refer to the press announcement.

(1) Profit-and-loss information

Fiscal period	Fiscal year ending March 31, 2013 (First Quarter of the 32 nd Term)
Net sales	¥2,510,476,000
Operating income	¥15,891,000
Ordinary loss	(¥29,537,000)
Net loss	(¥23,808,000)

(2) Per-share information

Fiscal period	Fiscal year ending March 31, 2013
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	(First Quarter of the 32 nd Term)
Net loss per share	(¥4.15)
Dividend per share	(¥—)

【Insider Trading Regulations】

Please note that a person receiving information concerning the Tender Offer through this press release may be prohibited from purchasing the shares of Cedar Co., Ltd. until twelve (12) hours have elapsed after the announcement of this press release as a recipient of primary information under the insider trading regulations in accordance with the provisions of Paragraph 3 of Article 167 of the Financial Instruments and Exchange Act and Article 30 of the Enforcement Order. Accordingly, please exercise due care. If a person is subject to criminal, civil or administrative liability as a result of such purchase mentioned above, please note that the Tender Offeror shall accept no responsibility.

【Solicitation Regulations】

This press release is for public announcement of the Tender Offer, and has not been prepared for the purpose of soliciting offers to sell shares. If you would like to offer your shares for sale in the Tender Offer, please ensure that you review the Tender Offer Explanatory Statement prior to offering your shares for sale at your own discretion. This press release shall neither be, nor constitute a part of, an offer or solicitation to sell or a solicitation of an offer to purchase, any securities. Moreover, this press release (or any part thereof) and the distribution thereof shall not be interpreted to be the basis of any agreement in relation to the Tender Offer, and this press release should not be relied on at the time any such agreement is concluded.