

# Tokyu Corporation

## Consolidated Financial Statements First Three Quarters of the Fiscal Year Ending March 31, 2016

(April 1, 2015 – December 31, 2015)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product and service launches, and pricing and product initiatives of competitors.

**SUMMARY OF FINANCIAL STATEMENTS [Japanese Accounting Standards] (Consolidated)**  
**For the First Three Quarters of Fiscal Year Ending March 31, 2016**

**Tokyu Corporation**

February 10, 2016

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date for submission of quarterly financial reports:	February 10, 2016		
Scheduled date of commencement of dividend payment:	—		
Supplementary documents for quarterly results	YES		
Quarterly results briefing (for institutional investor and analysts)	NO		

\* Amounts of less than ¥1 million have been rounded down.

**1. Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2016**  
**(April 1, 2015 to December 31, 2015)**

*(Figures in percentages denote the year-on-year change)*  
*Million yen*

1) Consolidated Operating Results

	Nine months ended December 31, 2015		Nine months ended December 31, 2014	
		Change (%)		Change (%)
Operating revenue.....	795,430	3.4	769,034	(3.5)
Operating profit.....	63,764	19.1	53,551	(1.0)
Recurring profit.....	59,766	19.6	49,985	(4.6)
Profit attributable to owners of parent .....	50,800	56.8	32,389	(26.7)
Net income per share (¥).....	41.14		25.92	
Net income per share (diluted) (¥).....	-		-	

Notes: Comprehensive Income: Nine months ended December 31, 2015: ¥53,082 million [22.3%]; Nine months ended December 31, 2014: ¥43,399 million [-15.5%]

2) Consolidated Financial Position

*Million yen*

	As of December 31, 2015	As of March 31, 2015
Total assets.....	2,026,515	2,002,532
Net assets .....	609,266	579,596
Equity ratio (%).....	28.6	27.5

Reference: Shareholders' equity: As of December 31, 2015: ¥579,835 million; As of March 31, 2015: ¥551,332 million

**2. Dividends**

	FY ending March 31, 2016 (forecast)	FY ending March 31, 2016	FY ended March 31, 2015
Dividend per share – end of first quarter (¥)		—	—
Dividend per share – end of first half (¥)		4.00	4.00
Dividend per share – end of third quarter (¥)		—	—
Dividend per share – end of term (¥)	4.50		4.00
Dividend per share – annual (¥)	8.50		8.00

Note: Revisions to dividend forecasts published most recently: No

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)**

*(Figures in percentages denote the year-on-year change)*  
*Million yen*

	Full year	
		Change (%)
Operating revenue.....	1,091,000	2.2
Operating profit.....	69,000	(3.5)
Recurring profit .....	61,000	(8.4)
Profit attributable to owners of parent.....	47,000	14.5
Net income per share (¥).....	38.11	

Note: Revision to consolidated business performance forecasts published most recently: No

**\* Notes**

- (1) Changes in important subsidiaries during the consolidated quarter (cumulative) under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): No
- (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- 1) Changes in accounting policies with revision of accounting standards, etc.: Yes
  - 2) Changes in accounting policies other than 1): No
  - 3) Changes in accounting estimates: No
  - 4) Restatement of revisions: No

(Note) For details, please see the statement under the heading of "2. Matters Relating to Summary Information (Notes), (1) Changes in accounting policies, changes in accounting estimates, and Restatement of revisions" on page 5 of the accompanying materials.

(4) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the term (including treasury stock) (shares)  
As of December 31, 2015: 1,249,739,752                      As of March 31, 2015: 1,249,739,752
- 2) Number of treasury stock at the end of the term (shares)  
As of December 31, 2015: 22,575,854                      As of March 31, 2015: 4,795,289
- 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)  
Nine months ended December 31, 2015: 1,234,836,084  
Nine months ended December 31, 2014: 1,249,489,555

(Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows:  
As of December 31, 2015: 5,934,000 shares

**\* Status of a quarterly review**

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

**\* Explanations about the proper use of financial forecasts and other important notes**

(Notes on forecast results)

The forecast results presented above are based on information available as of the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors. For details on the forecast results, please see the statement under the heading of "1. Qualitative Information on Consolidated Financial Results, etc. for the First Three Quarters Ended December 31, 2015, (3) Explanation about the future outlook, including forecast for consolidated earnings" on page 4 of the accompanying materials.

(Method of acquiring supplementary documents for quarterly results)

The "Summary of Results for the First Three Quarters of FY2015" will be published on our IR website and TDnet (Timely Disclosure network) today (February 10, 2016).

## ○ Accompanying Materials – Contents

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## 1. Qualitative Information on Consolidated Financial Results, etc. for the First Three Quarters Ended December 31, 2015

### (1) Explanation about Consolidated Financial Results

Starting from the consolidated fiscal year under review, Tokyu Corporation (the "Company") and its consolidated subsidiaries (collectively the "Group") began promoting a three-year medium-term business plan referred to as "Steps to the Next Stage." The aim of this plan is to enhance both profitability and efficiency by strengthening existing businesses and projects, actively moving into new areas where the Group can leverage its strengths, and conducting focused investments in growth areas, while at the same time ensuring that the Group remains financially sound. Working in line with this plan, the Group intends to make a great leap forward in the future.

Operating revenue for the first three quarters of the consolidated fiscal year under review stood at ¥795,430 million (up 3.4% year on year), attributable to the strong performance of the Transportation Business and the real estate leasing business, reflecting the effect of opening the Futako-Tamagawa Rise phase II. Operating profit increased 19.1% from a year earlier, to ¥63,764 million. Recurring profit rose 19.6%, to ¥59,766 million. Profit attributable to owners of parent amounted to ¥50,800 million (up 56.8% year on year), mainly owing to an increase in the gain on the sale of fixed assets.

Operating results on a segmental basis are as follows. The results for individual segments include inter-segment internal revenues or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

The reported segments have been changed from the first quarter of the consolidated fiscal year under review, and in the comparison with the previous period below, the figures are compared by changing them for the segments after reclassification.

#### (i) Transportation

In the Company's railway operations, the number of commuters carried rose 3.1% year on year in the first three quarters under review, while the number of non-commuters carried increased 3.2%, thanks to the absence of a decrease in the purchase of commuter tickets in reaction to last-minute purchase ahead of the consumption tax hike and the effect of opening the Futako-Tamagawa Rise phase II. Overall, the number of passengers carried also rose 3.2%.

As a result, operating revenue for the Transportation segment amounted to ¥149,226 million (up 2.0% year on year), and operating profit for the segment was ¥26,894 million (up 19.2% year on year).

## (Operation results of Tokyu Corporation's railway operations)

Categories		Units	First three quarters of the previous fiscal year	First three quarters of the fiscal year under review
			April 1, 2014 to December 31, 2014	April 1, 2015 to December 31, 2015
Number of operating days		Days	275	275
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	110,313	111,050
Number of passengers carried	Non-commuter	Thousand passengers	337,284	348,199
	Commuter	Thousand passengers	503,682	519,534
	Total	Thousand passengers	840,966	867,733
Passenger revenue	Non-commuter	Million yen	55,244	56,940
	Commuter	Million yen	45,018	46,393
	Total	Million yen	100,262	103,333
Miscellaneous income from railway operations		Million yen	13,200	10,371
Total revenues		Million yen	113,462	113,704
Average passenger revenue per day		Million yen	365	376
Operating efficiency		%	50.5	51.6

(Note) Calculation method of the operating efficiency

$$\text{Operating efficiency} = \frac{\text{Number of passengers carried}}{\text{Operating distance of passenger trains}} \times \frac{\text{Average service distance}}{\text{Average transportation capacity}} \times 100$$

## (ii) Real Estate

Overall revenue for the Real Estate segment stood at ¥134,384 million (up 6.0% year on year), primarily reflecting an increase in sales of large-scale collective housing (condominiums) in the Company's real estate sales business and a rise in rental revenue associated with opening the Futako-Tamagawa Rise phase II in the Company's real estate leasing business. Operating profit for the segment rose 10.6% year on year, to ¥21,091 million.

## (iii) Life Service

In the Life Service segment, operating revenue increased 2.6% from a year earlier, to ¥473,557 million, because same-store sales remained strong at Tokyu Store Chain Co., Ltd. in chain store operations while orders for sales promotion increased at Tokyu Agency Inc. in advertising operations. Operating profit for the segment reached ¥10,401 million (up 30.6% year on year).

## (iv) Hotel and Resort

Operating revenue for the Hotel and Resort segment stood at ¥78,676 million (up 8.5% year on year), reflecting the high occupancy of Tokyu Hotels Co., Ltd. in hotel operations and a rise in average daily rates. Operating profit for the segment amounted to ¥5,212 million (up 39.7% year on year).

**(2) Explanation about Consolidated Financial Position****Assets**

Total assets at the end of the first three quarters of the fiscal year under review increased ¥23,983 million from the end of the previous fiscal year, to ¥2,026,515 million, largely because of an increase in fixed assets associated with opening the Futako-Tamagawa Rise phase II.

**Liabilities**

Total liabilities at the end of the first three quarters of the fiscal year under review declined ¥5,686 million from the end of the previous fiscal year, to ¥1,417,249 million. This was primarily attributable to a decrease in accounts payable-other relating to capital investment and a decrease in interest-bearing debt\* of ¥641 million from the end of the previous fiscal year, to ¥910,805 million.

**Net assets**

Net assets at the end of the first three quarters of the fiscal year under review rose ¥29,669 million from the end of the previous fiscal year, to ¥609,266 million, mainly reflecting the posting of profit attributable to owners of parent for the first three quarters, despite the acquisition of treasury stocks.

\* Interest-bearing debt: the sum of debt, corporate bonds, and commercial papers

**(3) Explanation about the Future Outlook, Including Forecast for Consolidated Earnings**

The Company's consolidated earnings forecasts for the full year of the consolidated fiscal year ending March 31, 2016 remain unchanged from those that were publicly announced on November 6, 2015.

\* The forecast results presented above are based on information available as of the date of this announcement and assumptions considered reasonable, and the Company does not guarantee that they will be achieved. Also, actual results may differ materially from forecasts depending on a number of factors.

## **2. Matters Relating to Summary Information (Notes)**

### **(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions**

#### Change in Accounting Policies

The accounting standard for business combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21 issued September 13, 2013; hereinafter “Business Combinations Accounting Standard”), the accounting standard for consolidated financial statements (ASBJ Statement No. 22 issued September 13, 2013; hereinafter “Consolidated Accounting Standards”) and the accounting standard for business divestitures (ASBJ Statement No. 7 issued September 13, 2013; hereinafter “Business Divestitures Accounting Standards”), etc. have been applied from the first quarter of the fiscal year under review, and differences arising from changes in equity interest of the Company in those subsidiaries which the Company’s continues to control are recorded as capital surplus. The method of recording acquisition-related expenses has been changed to the method of recording them as expenses for the consolidated fiscal year in which they have arisen. In regards to business combinations implemented after the beginning of the first quarter of the fiscal year under review, the accounting method has been changed to the method of reflecting the review of the allocation amount of acquisition costs, based on the specified provisional accounting, in the consolidated financial statements for the quarter in which the date of business combinations falls. In addition, the presentation of net income, etc. has been changed, and the presentation of minority interests has been changed to non-controlling interests. To reflect these changes in presentation, the quarterly consolidated financial statements for the first three quarters of the previous fiscal year and consolidated financial statements for the previous fiscal year have been reclassified.

The application of the Business Combinations Accounting Standard and other standards follows the transitional arrangements stipulated in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidated Accounting Standards, and Paragraph 57-4 (4) of the Business Divestitures Accounting Standards. These standards are applied from the beginning of the first quarter of the fiscal year under review, and will continue to be applied in the future.

The effects on operating profit, recurring profit, and income before income taxes for the first three quarters of the fiscal year under review and capital surplus at the end of the first three quarters of the fiscal year under review are negligible.

## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

Million yen

Item	As of March 31, 2015	As of December 31, 2015
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	41,328	22,807
Trade notes & accounts receivable	123,676	128,472
Merchandise and products	15,656	17,498
Land and buildings for sale	45,323	40,148
Work in progress	4,439	12,320
Raw materials and supplies	5,476	5,995
Deferred tax assets	8,579	5,963
Others	31,515	28,485
Allowance for doubtful accounts	(798)	(819)
Total current assets	275,197	260,871
<b>Fixed Assets</b>		
Tangible fixed assets		
Buildings & structures (net)	695,470	705,562
Rolling stock & machinery (net)	54,748	52,133
Land	615,756	645,290
Construction in progress	110,972	103,472
Others (net)	20,162	19,896
Total tangible fixed assets	1,497,111	1,526,355
Intangible fixed assets	26,295	25,683
Investments & others		
Investment securities	133,610	143,441
Net defined benefit asset	5,944	6,237
Deferred tax assets	5,780	6,185
Others	59,250	58,313
Allowance for doubtful accounts	(657)	(572)
Total investments and others	203,928	213,605
Total fixed assets	1,727,334	1,765,643
<b>Total Assets</b>	<b>2,002,532</b>	<b>2,026,515</b>

Million yen

Item	As of March 31, 2015	As of December 31, 2015
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes & accounts payable	102,364	96,350
Short-term debt	229,626	274,719
Current portion of corporate bonds	24,000	20,000
Accrued income taxes	5,357	16,668
Provision	11,795	8,063
Advances received	30,598	34,868
Others	119,496	100,636
Total current liabilities	523,238	551,307
<b>Long-Term Liabilities</b>		
Corporate bonds	206,228	206,228
Long-term debt	451,592	409,857
Provision	2,915	2,680
Net defined benefit liability	35,133	35,773
Long-term deposits from tenants and club members	112,974	113,543
Deferred tax liabilities	26,489	24,437
Deferred tax liabilities from revaluation	9,404	9,404
Others	29,858	40,797
Total long-term liabilities	874,596	842,723
<b>Special Legal Reserves</b>		
Urban railways improvement reserve	25,100	23,217
<b>Total Liabilities</b>	1,422,935	1,417,249
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	121,724	121,724
Capital surplus	131,386	131,388
Retained income	280,685	321,809
Treasury stock	(3,171)	(18,259)
Total shareholders' equity	530,625	556,663
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized gains (losses) on investment securities, net of taxes	14,470	17,763
Net unrealized gains (losses) on hedging instruments, net of taxes	107	69
Land revaluation reserve	9,442	9,232
Foreign currency translation adjustment account	9,067	6,087
Remeasurements of defined benefit plans	(12,380)	(9,981)
Total accumulated other comprehensive income	20,706	23,171
<b>Non-controlling interests</b>	28,264	29,431
<b>Total Net Assets</b>	579,596	609,266
<b>Total Liabilities and Net Assets</b>	2,002,532	2,026,515

**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income**  
**(Quarterly Consolidated Statements of Income)** *Million yen*

Item	April 1, 2014 to December 31, 2014	April 1, 2015 to December 31, 2015
<b>Operating revenue</b>	769,034	795,430
Cost of operating revenue		
Operating expenses & cost of sales (Transportation, etc.)	570,305	584,624
SG&A expenses	145,177	147,040
Total cost of operating revenue	715,483	731,665
<b>Operating profit</b>	53,551	63,764
Non-operating profit		
Interest income	170	162
Dividend income	1,090	682
Investment gains from equity method	4,123	5,885
Others	2,442	2,721
Total non-operating profit	7,826	9,452
Non-operating expenses		
Interest expenses	8,915	8,229
Fixed assets demolition expenses	-	2,085
Others	2,477	3,136
Total non-operating expenses	11,392	13,450
<b>Recurring profit</b>	49,985	59,766
Extraordinary gains		
Gain on sales of fixed assets	139	16,236
Subsidies received for construction	136	628
Gain on reversal of urban railways improvement reserve	1,420	1,882
Others	455	1,953
Total extraordinary gains	2,151	20,701
Extraordinary losses		
Reduction entry of land contribution for construction	105	511
Transfer to urban railways improvement reserve	1,976	-
Loss on retirement of fixed assets	1,189	635
Fixed assets demolition expenses	-	9,927
Others	507	867
Total extraordinary losses	3,779	11,941
<b>Income before income taxes and minority interests</b>	48,357	68,525
Corporate income taxes	15,433	17,373
<b>Net income</b>	32,923	51,151
Profit attributable to non-controlling interests	534	351
Profit attributable to owners of parent	32,389	50,800

**(Quarterly Consolidated Statements of Comprehensive Income)***Million yen*

Item	April 1, 2014 to December 31, 2014	April 1, 2015 to December 31, 2015
Net income	32,923	51,151
Other comprehensive income		
Net unrealized gains (losses) on investment securities	5,418	3,606
Net unrealized gains (losses) on hedging instruments	0	0
Foreign currency translation adjustment account	2,025	(3,449)
Remeasurements of defined benefit plans, net of tax	1,458	2,314
Share of other comprehensive income of associates accounted for using equity method	1,573	(540)
Total other comprehensive income	10,476	1,930
Comprehensive income	43,399	53,082
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	42,303	53,513
Comprehensive income attributable to non-controlling interests	1,096	(430)

**(3) Notes to Quarterly Consolidated Financial Statements**

(Notes Regarding the Premise of a Going Concern)

There is no applicable item.

(Notes If There Is a Considerable Change to Shareholders' Equity)

The Company acquired 11,746 thousand treasury stocks for ¥9,999 million during the first three quarters of the fiscal year under review based on the resolution passed at the meeting of the Board of Directors held on May 13, 2015. The Company also acquired 6,165 thousand treasury stocks for ¥5,194 million by introducing the employees' ownership ESOP trust based on the resolution passed at the meeting of the Board of Directors held on the same day. Treasury stocks increased ¥15,088 million, reflecting the above acquisition of treasury stocks, and treasury stocks amounted to ¥18,259 million at the end of the first three quarters of the fiscal year under review.

(Segment Information)

I. April 1, 2014 to December 31, 2014

The segment information is as stated in "II. April 1, 2015 to December 31, 2015, 2. Matters regarding the change of reported segments."

II. April 1, 2015 to December 31, 2015

1. Information on operating revenue and operating profits or losses by reported segment

*Million yen*

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	147,863	105,043	464,533	77,990	795,430	–	795,430
Inter-segment internal revenues or transfers	1,363	29,341	9,024	686	40,414	(40,414)	–
Total	149,226	134,384	473,557	78,676	835,845	(40,414)	795,430
Segment profit	26,894	21,091	10,401	5,212	63,599	165	63,764

Notes

1. An adjustment of ¥165 million in segment profit represents the deduction of intersegment transactions.
2. Segment profit has been adjusted with operating profit recorded in the consolidated quarterly statements of income.

## 2. Matters regarding the change of reported segments

The reported segments have been changed from the five categories (Transportation, Real Estate, Life Service, Hotel and Resort, Business Support) used in the past to four categories (Transportation, Real Estate, Life Service, Hotel and Resort) from the first quarter of the fiscal year under review. This change is a result of reorganizing the business segments in accordance with one of the key initiatives, “new initiatives utilizing the Group’s management resources,” stated in the medium-term management plan. Under this initiative, the shopping center operations that were categorized in the Real Estate segment and the advertising operations categorized in the Business Support segment were transferred to the Life Service segment, while operations categorized in the Business Support segment were transferred to the business segments corresponding to the service support customers.

As a result, the major lines of business in each reported segment are now as follows:

- Transportation: Railway operations and bus operations  
 Real Estate: Real estate sales, real estate leasing, real estate management, and general trading operations  
 Life Service: Department store operations, chain store operations, shopping center operations, CATV operations, and Advertising operations  
 Hotel and Resort: Hotel operations and golf course operations

The information on operating revenue and segment profit or loss in each reported segment that reflect the new segments in the first three quarters of the previous fiscal year is as follows:

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	145,481	98,224	453,209	72,119	769,034	–	769,034
Inter-segment internal revenues or transfers	840	28,516	8,421	364	38,143	(38,143)	–
Total	146,322	126,740	461,630	72,484	807,178	(38,143)	769,034
Segment profit	22,570	19,064	7,966	3,731	53,333	217	53,551

## Notes

1. An adjustment of ¥217 million in segment profit represents the deduction of intersegment transactions.
2. Segment profit has been adjusted with operating profit recorded in the consolidated quarterly statements of income.

## (Subsequent Events)

At a meeting of the Board of Directors held on February 10, 2016, the Company resolved to acquire common shares (the "Target Shares") of Tokyu Recreation Co., Ltd. (the "Target") through a takeover bid (the "TOB"), to underwrite the disposition of the Target's treasury stock (the "Target Treasury Stock") through private placement of new shares to the Company, and to sign a capital and business alliance agreement between the Target and the Company.

## 1. Overview of the TOB

## (1) Objectives of the TOB

The purpose of the TOB and of underwriting the disposition of the Target Treasury Stock through a private placement of new shares to the Company is to make the Target a consolidated subsidiary of the Company.

The Company considers the role of providing pleasure in community development to be essential to the implementation of its three-year medium-term management plan, STEPS TO THE NEXT STAGE, and acknowledges that it is appropriate to increase the Target's roles in the Company Group as a subsidiary that takes charge of the entertainment strategy and works in cooperation to develop the community of Shibuya as its base. The Company has concluded that making the Target its consolidated subsidiary through this transaction will facilitate the implementation of various measures for the efficient and prompt cooperation between the two companies, and will help raise the corporate and shareholder value of the Company, Target, and other companies in the Group. Based on discussion between the two companies, the Target also believes that carrying out the business as a unified Company Group with a stronger cooperative relationship is indispensable to its aim of becoming a company that "designs entertainment life" as stated in its management vision. To achieve this aim, the Target has decided to become the Company's consolidated subsidiary rather than maintain its current status as an equity method company. Based on this understanding, the companies have decided to implement this transaction and sign a capital and business alliance agreement.

## (2) Overview of the Target

Name	Tokyu Recreation Co., Ltd.
Address	2-9 Sakuragaoka-cho, Shibuya-ku, Tokyo
Name and title of representative	Shinzo Kanno, President and Chief Executive Officer
Business	Management of movie theaters and other entertainment facilities
Capital	7,028 million Yen (as of December 31, 2015)
Established	June 15, 1946

## (3) Period of TOB, etc.

From Friday February 12, 2016, to Thursday March 10, 2016 (20 business days)

## (4) Commencement date of settlement

Thursday March 17, 2016

## (5) Price of TOB, etc.

850 yen per common share

## (6) Number of stock certificates, etc. scheduled to be purchased

Number of shares to be purchased: 5,255,000

Minimum number of shares to be purchased: —

Maximum number of shares to be purchased: 5,255,000

## (7) Purchase price

4,466 million yen

Note: This is the amount obtained by multiplying the number of shares to be purchased (5,255,000) by the purchase price per share (850 yen).

2. Overview of the underwriting of disposition of Target Treasury Stock through private placement of new shares

(1) Types and number of shares for subscription

2,619,236 common shares

(2) Payment amount

Total amount of 2,226 million yen (850 yen per Target Share)

(3) Due date of payment

Thursday March 17, 2016

(4) Method of disposition

Private placement of new shares to the Company (the number of shares scheduled for placement is 2,619,236)

3. Maintaining stock exchange listing

As of today, the Target Shares are listed on the second section of the Tokyo Stock Exchange. The maximum number of shares to be purchased in the TOB is 5,255,000 (16.45% ownership). The total number of Target Shares to be directly and indirectly owned by the Company through the purchase, etc. of the 5,255,000 shares in the TOB and underwriting of 2,619,236 shares in the disposition of the treasury stock (8.20% ownership) will be 16,001,832 (50.10% ownership). Therefore, the Target Shares will remain listed on the stock exchange after the settlement of the transactions.

Note: The "percent ownership" refers to percentages in the total number of shares outstanding of the Target (31,937,474 shares) as of December 31, 2015. The same applies to the following.