

(Translation)

August 15, 2014

Dear Sirs:

Name of Listed Company: Shobunsha Publications, Inc.
Representative: Shigeo Kuroda,
President and Representative
Director
(Code Number: 9475)
Person to Contact: Shinya Ohno,
Director and General Manager,
Business Administration Div.
Phone No.: 03-3556-8171

**Notice of Business Alliance with Whiz Partners Inc. and
the Offering of Subscription for the First Unsecured Convertible-Bonds-Type Bonds
with Stock Acquisition Rights to Be Issued by Allotment thereof to a Third Party**

Notice is hereby given that Shobunsha Publications, Inc. (the "Company"), at the meeting of its Board of Directors held on August 15, 2014, adopted resolutions to enter into a business alliance with Whiz Partners Inc. ("Whiz Partners") with regard to the "inbound business" of providing information to foreign tourists visiting Japan, especially related to Asian countries, offer the subscription for and issue its first unsecured convertible-bonds-type bonds with stock acquisition rights (the "Bonds with Stock Acquisition Rights", among which the stock acquisition rights attached with the Bonds with Stock Acquisition Rights and the bonds shall be referred to as the "Stock Acquisition Rights" and the "Bonds", respectively hereinafter) to be allotted to Whiz Asia Evolution Fund Investment Limited Partnership which Whiz Partners serves as a managing partner through an allotment thereof to a third party (the "Third-Party Allotment"), and enter into an investment agreement (the "Investment Agreement") with regard to the subscription for the Bonds with Stock Acquisition Rights and the business alliance, as described below:

I. Business Alliance

1. Reasons for the business alliance

The Shobunsha Group (which refers to the Company and its three consolidated subsidiaries), since two years ago, with its corporate philosophy of "The world, more closely connected by travel. The world, more exciting by curiosity", has placed the "inbound business" of providing information to foreign tourists visiting Japan as one of its important growth businesses in the future, while the publication business, its traditional mainstay business, has been contracting and it is required to develop alternatives, such as an electronic business (a business of planning, production and sale of map and guide databases and providing services by use of such databases) and new businesses. Tourists visiting Japan exceeded 10 million for the first time in history last year¹ and more tourists are

¹ Press release, The Japan National Tourism Organization (JNTO)
http://www.jnto.go.jp/jpn/news/data_info_listing/pdf/pdf/140117_monthly.pdf

expected to visit Japan each year in the future. In addition, Tokyo has been selected to host the Olympic Games in 2020 and accordingly, the government has set a goal of drawing 20 million tourists to visit Japan. In recent years, specifically, the number of tourists from Asia which has achieved significant economic growth is increasing. To elevate the popularity overseas of the soft culture of Japan, such as anime, idols and fashions, which is generally referred to as "cool Japan", Cool Japan Fund Inc. has been established and it appears that the penetration of the Japanese culture will be a factor to enhance tourism to Japan. In this context, to attain the goal of drawing 20 million tourists to visit Japan, the Japan Tourism Agency has adopted a 2014 Action Program toward the Realization of Japan as a Tourism-Oriented Country and is investigating specific measures, including legislative actions concerning tourist visas. Taking into consideration these factors, the Shobunsha Group has opened Facebook pages for Taiwan and Thailand and started the provision of a tourist application (for smartphones) for Taiwanese visiting Japan. However, in such current business form, it will still take long before the "inbound business" becomes its prime source of earnings. To take advantage of the hosting of the Tokyo Olympic Games in 2020 and the environment where the market of tourists visiting Japan is rapidly expanding, it is necessary to promptly consolidate the "inbound business" and it has become a management priority to further enhance services for tourists visiting Japan as rapidly as possible.

The Company, jointly with Whiz Partners and its subsidiary in Hong Kong Whiz Partners Asia Ltd. (collectively, the "Whiz Group"), is planning to further expand the "inbound business", especially in Asia. To be specific, by forming strategic partnerships through business alliances, joint ventures, mergers and acquisitions, etc. with leading companies of information services via the Internet and smartphones, such as tour, restaurant and hotel reservations, in Asian countries that have large memberships who will be potential customers of the "inbound business" to secure tens of millions of members, the Company intends to establish a one-stop gateway (an information infrastructure to comprehensively respond to the needs of tourists visiting Japan) to offer the "best hospitality" to visitors to Japan from Asia and all other parts of the world.

The Company has deployed the "business of providing maps and travel information" with its independently developed map and guide databases "Shobunsha Integrated MAPping System (SiMAP)" at the core of the business, which includes the planning, production, publication and sale of maps, magazines and guidebooks by utilizing the system, as well as the planning, production and sale of digital databases and the provision of services by utilizing such databases. The map data and guide data, which form the core of the business of the Company, have more than ever been increasing their values as appealing content for various services that provide a great deal more convenient and various information to more users than the conventional paper media, linked with GPS functions mounted as standard on smartphones and tablet devices that have rapidly been growing popular in recent years. The Company will utilize such content to provide information to foreign tourists.

The Whiz Group has set up a strong human and business network in the major countries and regions in Asia, including Taiwan, China, Hong Kong, South Korea and Thailand which collectively represent a majority of tourists visiting Japan, and has a great deal of experience and track records in supporting the companies in which it has invested to develop business in Asia.

The Company has independently been engaging in activities to develop business partners in Asian countries to expand the "inbound business". To accelerate the business in the future, the use of the Whiz Group's overseas network will be very useful to the Company.

Accordingly, the Company believes that if Whiz Asia Evolution Fund Investment Limited Partnership (the "Prospective Allottee") which Whiz Partners serves as a managing partner holds the shares of common stock of the Company potentially through the Third-Party Allotment, the Company will be able to obtain more proactive and specific support from the Whiz Group for its "inbound business".

To obtain proactive support from the Prospective Allottee and the Whiz Group for the "inbound business" and secure some of the funds required for various measures for the "inbound business", including equity participations in cooperating companies and other alliances, mergers and acquisitions, the strengthening of software content such as the translation in English and various Asian languages, and system development for smartphone applications for tourists visiting Japan, the Company has determined to make the Third-Party Allotment through the issuance of the Bonds with Stock Acquisition Rights. It is a policy of the Company to enhance its corporate value on a medium- and long-term basis by promoting and accelerating its aforementioned strategic theme "inbound business" through the Third-Party Allotment and the Company believes that the Third-Party Allotment will meet the interests of its shareholders and all other stakeholders.

2. Details of the business alliance, etc.

(1) Details of the business alliance

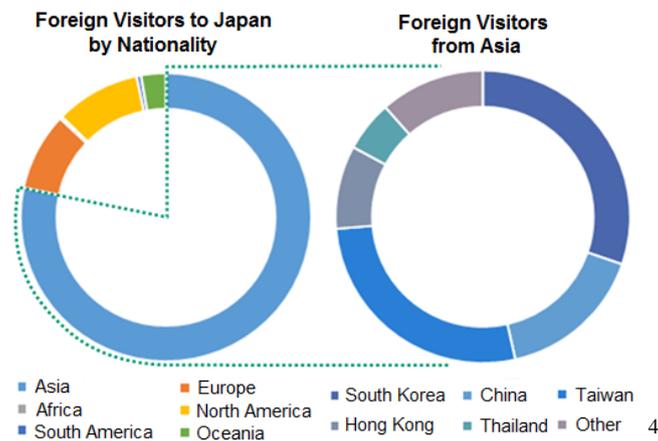
The Company intends to establish a one-stop gateway to offer the "best hospitality" to visitors to Japan from Asia and all other parts of the world by utilizing the wide-range network in Asia set up by the Whiz Group. To be specific, the Company intends to form strategic partnerships through business alliances, joint ventures, mergers and acquisitions, etc. with local companies in Asian countries that have large memberships in Asia who will be potential customers of the "inbound business". Additionally, the Company will proactively carry out activities to develop its market in and outside of Japan and increase orders received by utilizing other networks of the Whiz Group and implement various measures to strengthen its profitability and business bases. The Company also may request the Whiz Group to propose one candidate for Director of the Company to assist the Company to implement various measures. On the other hand, the Whiz Group, through the business alliance with the Company, intends to find and secure new investment opportunities that may arise in connection with such business partnerships and business activities of the Company, and promote and expand its investment business.

(2) Background of the "inbound business" for which the business alliance will be entered into and its target

Tourists visiting Japan are expected to increase and form an important consumer stratum in the domestic market in the future. Tourists visiting Japan exceeded 10 million for the first time in history last year and more tourists are expected to visit Japan each year in the future. In addition, they may possibly increase to 20 million by 2020 when the Tokyo Olympic Games are held in 2020. According to a literature of the Japan Tourism Agency², the average consumption by tourists visiting Japan amounted to 149 thousand yen, of which 50% was spend on foods and shopping. Another literature of the Japan National Tourism

² "Consumption Trend Survey of Foreign Visitors to Japan: Jan. - Mar. 2014" (May 21, 2014), The Japan Tourism Agency http://www.mlit.go.jp/kankocho/news02_000213.html

Organization³ shows that most of the tourists visiting Japan came from Asia. An increase in the middle-class population who can afford foreign travels and other entertainments with the growth of Asian economies may be playing a leading role in increasing the number of tourists visiting Japan. Tourists visiting Japan from Asia, specifically, China spent over 200 thousand yen on average, higher than spent by those from Europe and the United States. The attracting of these tourists visiting Japan from Asian countries as users of the services of the Company is expected to greatly contribute to its future growth.



While most tourists visiting Japan from Asian countries may have joined in package tours, quite a few make individual tours. According to a survey by the Japan National Tourism Organization⁵, tourists visiting Japan suffered inconveniences while staying in Japan, as listed below, among others:

- (1) Insufficient number of traffic signs and guide displays in tourist sites in English;
- (2) Difficulties in finding tourist centers;
- (3) Difficulties in communications in foreign languages (especially, English) around town;
- (4) Difficulties in finding ATMs;
- (5) Difficulties in reading fares and routes due to too many traffic service lines in the Tokyo Metropolitan area; and
- (6) Insufficient number of trash cans around town.

If these inconveniences suffered by tourists visiting Japan are mitigated, tourists to Japan may increase and the amount expended by them on each tour may possibly increase.

³ "Number (Aggregate Number) of Foreign Visitors to Japan", The Japan National Tourism Organization (JNTO)
http://www.jnto.go.jp/jpn/reference/tourism_data/visitor_trends/pdf/2003_14_tourists.pdf

⁴ "Foreign Visitors to Japan by Nationality/Month (2003 -2014) (Excel)", The Japan National Tourism Organization (JNTO)
http://www.jnto.go.jp/jpn/reference/tourism_data/visitor_trends/

⁵ "Report on Survey of Foreign Tourists Using TIC for the Year Ended March 31, 2013" (March 2013), The Japan National Tourism Organization (JNTO)
http://www.jnto.go.jp/jpn/reference/tourism_data/pdf/tic_report_2012.pdf

The Company has accumulated savvy maps and attractive tourism-related content through its travel guide publication business for a long time. The Company plans to make the most use of such assets to further build and develop content for foreigners and provide services to support tourists visiting Japan. The Company believes that it will be able to utilize its proprietary maps and travel content to mitigate such inconveniences suffered by tourists visiting Japan as listed above, such as an insufficient number of signs in foreign languages and the complexity of the traffic services. The Company also hopes that with regard to issues that may not be addressed solely by its current content or IT platforms, such as the Internet and smartphones, it will be able to provide services to meet the needs of tourist visiting Japan by entering into business partnerships and transactions with leading companies and entities in and outside of Japan through the Whiz Group, the counterparty to the business alliance notified hereby.

The Company believes that its wealth of content will be able to not only mitigate inconveniences suffered by tourists visiting Japan but awaken their interest in Japan. The Company, which with its brands of "MAPPLE" and "co-Trip", has engaged in publication and delivery through various projects, feels proud that it has the strength of sorting out restaurants and hot-spring hotels from among a great number of them through its unique and varied perspectives. By taking advantage of such strength, the Company will provide information, as well as websites and applications to use services, such as reservations of restaurants, accommodations and entertainments and purchases of articles, in a form that may meet the preferences of tourists visiting Japan from Asian countries, whereby aiming to establish a one-stop gateway for visitors to Japan from Asia.

The one-stop gateway so established will be an important platform for restaurants, accommodation suppliers and retailers, among others, in Japan who expect tourists visiting Japan to spend. The platform will enable the Company to earn revenue from attractive advertising media to draw tourists to visit Japan, as well as reservation commissions and commissions for the sale of articles. Through the business alliance, the Company intends to develop and establish the "inbound business" to make it the pillar of growth on a medium- and long-term basis.

3. Profile of Whiz Partners Inc.

(1) Name	Whiz Partners Inc.
(2) Location	2-5-1, Atago, Minato-ku, Tokyo
(3) Representative	Toshio Ando, Chief Executive Officer and President
(4) Business	<ol style="list-style-type: none"> 1. Investment in, and assisting the development of, companies mainly operating in the fields of life sciences (biotechnology) and IT (information technology) in Japan and overseas 2. Establishment of investment partnerships and control and management of investment partnership assets 3. General management consulting 4. Type II financial instruments business, investment advisory, agency operations and investment management businesses
(5) Capital	100 million yen
(6) Established	May 1, 2003
(7) Major shareholders and their shareholding ratio	<ol style="list-style-type: none"> 1. 74.5% Quiet Alpha Investment Limited Partnership 2. 25.5% Quiet Beta Investment Limited Partnership

(8) Relationships between the Company and Whiz Partners	Capital	None		
	Personnel	None		
	Business	None		
	Related parties	The Company had invested 0.78% (10 units for 34,162,500 yen) as a limited liability partner of Whiz Asia Evolution Fund Investment Limited Partnership, where Whiz Partners serves as a managing partner. As of today, the Company has concluded a transfer agreement with Whiz Partners relating to this investment whereby the Company is to end its investment and transfer this holding to Whiz Partners. The payment for the Company's holding is to be made by Whiz Partners on September 1, 2014. This transfer contract is subject to the issuance of the Bonds with Stock Acquisition Rights.		
(9) Non-consolidated results of operations and financial conditions for the last three years				
	Fiscal years ended	March 2012	March 2013	March 2014
	Net assets (Millions of yen)	1,572	3,179	2,890
	Total assets (Millions of yen)	2,131	4,312	3,543
	Net assets per share (Yen)	262,0008.49	529,868.58	528,198.81
	Net sales (Millions of yen)	491	1,490	2,008
	Operating income (Millions of yen)	(43)	728	1,025
	Ordinary income (Millions of yen)	(42)	740	1,027
	Net income (Millions of yen)	(44)	677	973
	Net income per share (Yen)	(7,455.33)	112,833.36	194,838.62
	Dividend per share (Yen)	0	0	0

4. Schedule

(1) Resolution of the Board of Directors	August 15, 2014
(2) Contract signing	August 15, 2014
(3) Start of operations	October 1, 2014 (planned)

5. Outlook

The Company believes that the benefits of this business alliance will emerge over a period of several years or longer and foresees no immediate benefits in the current fiscal year. Consequently, there are no revisions to the consolidated forecast for the fiscal year ending March 31, 2015 that was announced on May 15, 2014.

II. The Offering of Subscription for the First Unsecured Convertible-Bonds-Type Bonds with Stock Acquisition Rights to Be Issued by Allotment thereof to a Third Party

1. Outline of offering

First Unsecured Convertible-Bonds-Type Bonds with Stock Acquisition Rights

(1) Payment date	September 1, 2014 (Monday)
(2) Total number of stock acquisition rights	40
(3) Issue prices of bonds and stock acquisition rights	The issue price of Bonds: 25 million yen (100 yen per face value of 100 yen) The issue price of Stock Acquisition Rights: gratis
(4) Number of dilutive shares from the issuance of stock acquisition rights	1,550,387 shares
(5) Amount of funds to be raised	1,000,000,000 yen
(6) Conversion price	645 yen
(7) Method of offering or allotment (the Prospective Allottee)	A third-party allotment will be used with shares allotted to the following party. Whiz Asia Evolution Fund Investment Limited Partnership: 1,000,000,000 yen
(8) Interest rate	No interest will be paid on Bonds.
(9) Others	Each of the items above shall become effective when the relevant securities registration statement to be filed under the Financial Instruments and Exchange Act takes effect. The approval of the Board of Directors is required when transferring the Bonds with Stock Acquisition Rights.

2. Purpose and reason for offering

As mentioned in "I. 1. Reasons for the business alliance", the Company is establishing a business alliance with the Whiz Group with the goal of expanding its "inbound business". In association with this goal, there are two purposes of making the Prospective Allottee a holder of common stock equivalents of the Company. First is to receive more support, including concrete assistance, from the Whiz Group. Second is to obtain funding for a portion of the expenses for various activities required for the "inbound business". These activities include locating cooperating companies and using alliances, mergers and acquisitions, including equity investments in partner companies. Activities also include upgrading software content, such as by translating content into English and Asian languages, and developing smartphone application systems for visitors to Japan.

The Company has taken the following points into consideration in undertaking the Third-Party Allotment.

(1) Special features in comparison to other fund procurement methods

1) Procuring funds by issuing new shares by means of a third-party allotment makes it possible to complete the fund procurement by issuing new shares at once. However, it

would also cause a one-time dilution in earnings per share. Accordingly, the impact on the share price may be larger than the impact resulting from the issuance of stock acquisition rights or bonds with stock acquisition rights. On the other hand, fund procurement methods involving convertible-bond-type bonds with stock acquisition rights can be expected to have a smaller impact on the share price because concerns about dilution are relatively limited. Moreover, we believe that the Bonds with Stock Acquisition Rights with early redemption conditions have the advantage of greater flexibility than fixed shareholdings in terms of the capital relationship with the Prospective Allottee.

2) A fund procurement that uses only stock acquisition rights makes it possible to avoid a one-time dilution caused by the exercise of the rights. However, because the Company will receive extensive support for its "inbound business" from the Prospective Allottee and the Whiz Group, the Company has chosen Bonds with Stock Acquisition Rights for the entire amount of the issue in order to build a relationship based on a capital relationship from the very beginning.

(2) Points that have been taken into consideration regarding the Company's needs

1) Mitigating the impact on the share price

- The conversion price, resulting from discussions with the Prospective Allottee, is 645 yen, which was the closing price of the common stock of the Company on the First Section of the Tokyo Stock Exchange on August 14, 2014. The conversion price was formulated so that no subsequent revisions are to be undertaken. The Company determined this conversion price by taking into consideration its business results, financial condition, share price movements, and other items after discussions with Whiz Partners.
- Since the Third-Party Allotment consists of the issuance of convertible-bond-type bonds with stock acquisition rights, shares can be issued at any time, in response to the movements in the share price and other factors by exercising the Stock Acquisition Rights. As a result, this differs from the issuance of new shares, where the entire amount is procured at once from new stock. Issuing bonds makes it possible to avoid a major impact on the share price resulting from rapid changes in the supply and demand for the Company's common stock.

2) Limiting dilution

- Because the Bonds with Stock Acquisition Rights do not have conditions for the downward revision of the conversion price, there is no possibility that the number of shares delivered will exceed the original expectation, thereby causing further dilution.
- Since the Stock Acquisition Rights attached to the Bonds with Stock Acquisition Rights will be exercised gradually while reflecting the share price, trading volume and other factors, dilution will probably be less than if the new shares were issued at once.
- Moreover, as mentioned above, dilution will not occur above the initially anticipated level, and conversely a smooth exercise of the Stock Acquisition Rights can be expected in a rising share price environment. Consequently, there is a possibility of procuring funds in a manner that does not have any excessive impact on the interests of existing shareholders.

- 3) Flexibility in capital policy
 - Starting on September 1, 2016, the Company may, at its own discretion, and depending on factors such as the Company's cash flows and revisions to the cooperative activities undertaken in the "inbound business" with the Whiz Group, decide to bring forward the redemption of all or any part of the Bonds with Stock Acquisition Rights outstanding at the time, thereby giving the Company a degree of flexibility in its capital policy.
- (3) Other factors taken into consideration

One of the special features of the Bonds with Stock Acquisition Rights is that the capital portion of the Bonds is paid in at the start. This makes it possible to raise capital. However, if the holders of the Bonds do not exercise their Stock Acquisition Rights, the Company has the obligation to redeem the capital amount of the Bonds at maturity, and therefore would need to procure the funds required for this redemption. If the share price rises to a point exceeding 150% of the conversion price, on the basis of the terms of the Investment Agreement, the Company can require Whiz Partners to exercise some of the Stock Acquisition Rights. Consequently, by comparison with circumstances in which such conditions are not applied, the process of conversion of the bonds into equities (capital account) progresses smoothly. The resulting reduction in the future redemption amount shrinks the Company's liabilities and strengthens its shareholders' equity.

- (4) Contents of the Investment Agreement

The following terms are included in the Investment Agreement.

- 1) For the period from the signing date of the Investment Agreement to the date of expiration of the Investment Agreement, for the holding ratio (refers to the ratio defined by Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. In the event that there are specially related parties (refers to specially related parties as defined in Paragraph 7 of the same Article of the Act), referring to additions to holding ratios of such specially related parties) in the Company's shares, etc. ("shares, etc." as defined by Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same unless specifically defined otherwise), Whiz Partners and the Prospective Allottee must ensure that their holdings do not ordinarily exceed the holding ratio of the Company's shares, etc. of Mr. Shigeo Kuroda, President & Representative Director of the Company. However, in the event that Mr. Shigeo Kuroda disposes of his holdings of the Company's shares, etc., this should be the subject of discussions with Whiz Partners.
- 2) During the period from September 1, 2016 until two trading days before the final trading day of the exercise period of the Stock Acquisition Rights, the Company may tell Whiz Partners in writing to exercise up to a total of 16 Stock Acquisition Rights (total capital of 400 million yen and 620,155 shares issued due to the exercise of these rights). Whiz Partners, through the Prospective Allottee, must exercise the Stock Acquisition Rights within two trading days of the date of the exercise instruction (hereafter the "exercise instruction date") in accordance with the Company's instructions.
 - (a) In cases in which the volume weighted average price (hereinafter "VWAP") of the Company's common stock traded on the Tokyo Stock Exchange should, for a period of 10 consecutive trading days prior to the exercise instruction date (including the exercise instruction date, but in the event that there are days without closing prices

during the period, 10 trading days excluding such days. Same hereinafter.), exceed 150% of the conversion price of the Stock Acquisition Rights applicable on the exercise instruction date, the Company shall state a number of units up to a total of four Stock Acquisition Rights (total capital of 100 million yen and 155,038 shares issued due to the exercise of these rights).

- (b) If the VWAP level exceeds 175% of the conversion price of the Stock Acquisition Rights applicable on the exercise instruction date, including the exercise of Stock Acquisition Rights in accordance with the above item (a), the Company shall state a number of units up to a total of eight Stock Acquisition Rights (total capital of 200 million yen and 310,077 shares issued due to the exercise of these rights).
- (c) If the VWAP level exceeds 200% of the conversion price of the Stock Acquisition Rights applicable on the exercise instruction date, including the exercise of Stock Acquisition Rights in accordance with above items (a) & (b), the Company shall state a number of units up to a total of 12 Stock Acquisition Rights (total capital of 300 million yen and 465,116 shares issued due to the exercise of these rights).
- (d) If the VWAP level exceeds 225% of the conversion price of the Stock Acquisition Rights applicable on the exercise instruction date, including the exercise of Stock Acquisition Rights in accordance with above items (a) through (c), the Company shall state a number of units up to a total of 16 Stock Acquisition Rights (total capital of 400 million yen and 620,155 shares issued due to the exercise of these rights).

3) Irrespective of the provisions of 2) above, the Company cannot issue an instruction for the exercise of Stock Acquisition Rights to Whiz Partners during (i) a period of 20 trading days starting on the day on which the Prospective Allottee has separately requested the exercise of Stock Acquisition Rights; (ii) a period of 20 trading days starting on the day on which the Prospective Allottee has requested the exercise of Stock Acquisition Rights in response to an instruction from the Company in accordance with 2) above; and (iii) a period (excluding when the Company has provided a written explanation to Whiz Partners of why the information in question does not qualify as important, material information or has made a public disclosure of such information in accordance with the requirements of the regulations of Article 166, Paragraph 4 of the Financial Instruments and Exchange Act and Article 30 of the Order for Enforcement of the Financial Instruments and Exchange Act) in which Whiz Partners or the Prospective Allottee is in possession of important, material facts (important, material facts as defined by Article 166, Paragraph 2 of the Financial Instruments and Exchange Act; hereinafter the same) or information included in the notifications of the acquisition of important, material information (when Whiz Partners has acquired important, material information or information about which there is concern that it might be important, material information, and there will be notification in writing to the Company concerning such information and the acceptance date).

4) The Company, during the period starting on the day the Investment Agreement is signed and ending five years after the payment date for the Bonds with Stock Acquisition Rights or during the period in which the Prospective Allottee has held either all or some part of the Bonds with Stock Acquisition Rights, whichever is shorter, must, when it is to decide upon or acknowledge the items below, discuss with Whiz Partners in advance (in accordance with items 4) and 5) below, if the approval of the Company is granted by the Board of Directors or by a General Meeting of Shareholders, "in advance" means before either the meeting of the Board of Directors or of Shareholders) and must receive agreement in writing from Whiz Partners.

- i. Organizational restructuring (merger through absorption in which the Company is dissolved, share exchange and share transfer in which the Company becomes a wholly owned subsidiary, or split in which the Company is absorbed or established as a new entity)
- ii. Transfer or acceptance of the whole, or of an important part, of the business
- iii. Commencement of procedures for dissolution or bankruptcy, commencement of procedures for corporate reorganization, commencement of procedures for civil rehabilitation, commencement of procedures for special liquidation, for application being made for the commencement of other types of corporate insolvency
- iv. Expression of opinion relating to the tender offer for the Company's shares, etc. (as defined for "tender offer" in Article 27-3, Paragraph 1 of the Financial Instruments and Exchange Act. Hereinafter the same.)
- v. Acquisition of treasury shares (including those from the tender offer)
- vi. Delisting of the Company's common stock

5) The Company, during the period starting on the day the Investment Agreement is signed and ending five years after the payment date for the Bonds with Stock Acquisition Rights or during the period in which the Prospective Allottee has held all or some part of the Bonds with Stock Acquisition Rights, whichever is shorter, must, in any of the circumstances identified below, when the Company decides to issue common stock (regardless of the class or type) or stock acquisition rights (regardless of the class or type of the shares to which they apply, and including those attached to corporate bonds) the Company must discuss this issuance with Whiz Partners in advance and must receive agreement in writing from Whiz Partners. However, this limitation does not apply in cases in which: 1) another company that has a licensing, joint development or other type of cooperative relationship agreement with the Company wishes to make an investment to the Company; 2) Whiz Partners requests early redemption of all of the Bonds with Stock Acquisition Rights held by the Prospective Allottee in accordance with the provisions of item 16. (4) of the attached Terms and Conditions of Issuance; or 3) an agreement is reached between the Company and Whiz Partners.

- i. When Whiz Partners proposes to make an additional investment in the Company (hereinafter, "additional investment") and this proposal is not subsequently withdrawn, and there is a proposal for an investment in the Company by a third party ("third-party investment" hereafter), in the event that Whiz Partners or the Prospective Allottee decide that the terms of the third-party investment are more advantageous than the terms of the additional investment and either of the following two items is applicable.
 - a. The issue price for the shares for the third-party investment, the conversion price for the Bonds with Stock Acquisition Rights or the exercise price for the Stock Acquisition Rights is lower than for the additional investment
 - b. The investment target for the third-party investment is secured bonds with stock acquisition rights
- ii. When bonds with stock acquisition rights with a clause to revise the exercise price ("bonds with stock acquisition rights with a clause to revise the exercise price" as defined in Article 19, Paragraph 8 of the Cabinet Ordinance on Disclosure of Corporate Affairs, etc.) are issued

6) Whiz Partners shall, at the request of the Company, propose a candidate for director in the period in which the Prospective Allottee either (i) holds a total capital amount of 300

million yen or more of the Bonds with Stock Acquisition Rights or (ii) holds 450,000 shares or more of the Company's common stock, whichever is shorter. Furthermore, Whiz Partners and the Company shall conduct a sincere discussion relating to the candidate for director. In addition, the Company is responsible for submitting a proposal for the candidate to the Company's General Meeting of Shareholders.

- 7) Items agreed upon early redemption
- i. Whiz Partners and the Prospective Allottee, regardless of the provisions of item 16. (4) of the attached Terms and Conditions of Issuance, shall be able to demand the early redemption of the Bonds with Stock Acquisition Rights on the basis of the provisions of this item limited to cases in which any of the occasions itemized below apply in the period up until (and including the day itself) August 31, 2016.
 - a. The delisting of the common stock of the Company or a decision for delisting
 - b. A serious infringement or violation of the Investment Agreement by the Company (use of funds raised by the issuance of Bonds with Stock Acquisition Rights for purposes other than those agreed upon; and without the prior consent of Whiz Partners, as noted in 4) above, including but not limited to certain actions by the Company).
 - c. When the infringement or violation is not rectified within a period of two weeks following a notification requiring rectification made by Whiz Partners in relation to less serious infringements or violations of the Investment Agreement by the Company.
 - ii. If, from September, 1 2016 onwards, at any time following the day on which any of the following incidents occurred, Whiz Partners shall be able to issue a demand that the Company undertakes an early redemption, on the basis of the provisions of Appendix Issue item 16. (2), of all or any part of the outstanding Bonds with Stock Acquisition Rights held by the Prospective Allottee, by means of a notification in writing in accordance with the Investment Agreement.
 - a. The delisting of the common stock of the Company or a decision for delisting
 - b. A serious infringement or violation of the Investment Agreement by the Company (use of funds raised by the issuance of Bonds with Stock Acquisition Rights for purposes other than those agreed upon; and without the prior consent of Whiz Partners, as noted in 4) above, including but not limited to certain actions by the Company).
 - c. When the infringement or violation is not rectified within a period of two weeks following a notification requiring rectification made by Whiz Partners in relation to less serious infringements or violations of the Investment Agreement by the Company.

3. Amount, use and scheduled expenditure of funds to be raised

(1) Amount of funds to be raised

1) Total payment amount (Yen)	1,000,000,000
2) Estimated cost of issuance (Yen)	15,000,000
3) Estimated net proceeds (Yen)	985,000,000

Note: The breakdown of the cost of issuance includes attorney's fees, remuneration for the estimation and valuation of the Bonds with Stock Acquisition Rights, third-party research organization remuneration costs relating to investigating the

possibility of the existence of relationships with organized crime organizations, expenses incurred in creating an Annual Securities Report, and the costs of making registration changes, etc.

(2) Specific use of funds procured

Specific use of funds	Amount (Millions of yen)	Scheduled timing of expenditure
1) Locating cooperating companies and using alliances, mergers and acquisitions, including equity investments in partner companies to accelerate the development of the business	585	October 2014 to December 2015
2) Upgrading software content (including translating content into English and Asian languages)	200	October 2014 to December 2015
3) System development costs for the establishment of a one-stop gateway	200	January 2015 to December 2016

Notes:

1. The above-mentioned uses and amounts are estimated based on the assumption that various measures for the realization of "inbound business" will be undertaken, and have been calculated on a reasonable basis and using the information currently available to the Company. Consequently, the aforementioned uses and amounts may be altered in response to any changes in the circumstances such as any modification of the policies adopted by the Company and other factors including the environment facing tourists visiting Japan. Moreover, the abovementioned scheduled timings for these expenditures, which have been calculated based on the assumption that the relevant measures will be implemented smoothly, may also be altered in response to changes in the rate of progress made with the subsequent implementation of these measures in the future. Should any changes be subsequently made to the specific uses for the funds procured, they will be disclosed promptly and appropriately.
2. With regard to the cooperating companies mentioned in 1) above, these are conceived of as being net service companies (portals, SNS, and reservation sites for overnight accommodation, restaurants, and airline ticket bookings, etc.) mainly in Asian countries used routinely by tourists visiting Japan and such persons who may be tourists visiting Japan in the future. By engaging in business relationships, including equity participations, with such partners (including the establishment of joint ventures and mergers and acquisitions in circumstances that are appropriate for such activity), the Company plans to expand the websites and applications that it develops in the markets for tourists visiting Japan from various countries. Subsequently, 2) in software content, the Company plans to translate the travel content for domestic Japanese travelers that it has accumulated to date (including restaurants, hotel and other accommodation businesses, sightseeing information, etc.) into the languages, starting with English, of the main countries from which tourists visiting Japan come (including Chinese, Korean, Thai, etc.), and also plans to revise and adapt this information and to suit the cultures and specific tastes of the various countries. Finally, 3) in systems development, the Company is embarking upon the development of websites and smartphone applications, etc., on the basis of relationships with web platforms that foreign tourists visiting Japan like and are

familiar with. The Company plans to proactively and positively develop websites and applications that concentrate on the user experience through ease of use and a rich degree of functionality.

3. These funds procured for the achievement of the above-mentioned purposes will be managed through safe investments such as bank deposits etc., until they are actually dispensed.

4. Justification for the use of funds

In progressing its "inbound business", the Company is engaging in up-front investment in various strategic areas that it is aiming at, having decided upon the necessity of realizing a combination of service value as well as achieving the maximization of its corporate value. The Third-Party Allotment is intended, in combination with the positive support received for the "inbound business" from Whiz Partners, to assist in locating cooperating companies and using alliances, mergers and acquisitions, including equity investments in partner companies. Activities also include upgrading software content, such as by translating content into English and Asian languages, and developing smartphone application systems for visitors to Japan. By providing and accelerating the "inbound business", the funds raised by the Third-Party Allotment allow the company to achieve its plans for further expansion in its operations for the future, improve its profitability and strengthen its financial base. There will be some degree of dilutive effect on the shareholdings of existing shareholders, but it is the judgment of the Company that the planned uses for the funds procured are rational and will contribute to raising the medium-to long-term corporate value of the Company.

5. Rationale for issuing terms

(1) Basis of calculation of amount to be paid and details

The conversion price of the Bonds with Stock Acquisition Rights has been fixed at 645 yen (0% discount). This price was determined after discussions with Whiz Partners and by using the closing price for ordinary trading of the common stock of the Company on the First Section of the Tokyo Stock Exchange on August 14, 2014. This is the trading day preceding the day that the Board of Directors approved the Third-Party Allotment (hereafter the "issuance decision day").

For the calculation of the conversion price, the closing price for ordinary trading of 645 yen for the common stock of the Company on the Tokyo Stock Exchange on the day preceding the issuance decision day is used as the basis. The average closing price during any particular period is influenced by temporary changes in economic conditions, the environment for the stock market, changes in the Company's operations and performance, and other items. As a result, rather than use as reference an average closing share price for a period of, for example, one, three or six months, the Company believes that using the closing price on the day before the issuance decision day of the Board of Directors, when the share price was probably determined by the Company's financial condition at the end of the most recent quarter (first quarter earnings release for the fiscal year ending on March 31, 2015 was released on July 31, 2014), is an accurate reflection of the value of the Company's stock.

For reference, the conversion price of the Bonds with Stock Acquisition Rights is a discount of 1.6% to the 655.51 yen average closing share price for ordinary trading of the

common stock of the Company during the past six months ending on the day preceding the issuance decision day, a premium of 0.7% to the 640.77 yen average closing share price for ordinary trading of the common stock of the Company during the past three months ending on the day preceding the issuance decision day, and a discount of 0.5% to the 648.41 yen average closing share price for ordinary trading of the common stock of the Company during the past month ending on the day preceding the issuance decision day.

To determine the issuance conditions for the Bonds with Stock Acquisition Rights, the Company, to ensure fairness, requested a valuation assessment from Plutus Consulting (3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo; Masato Noguchi, President and CEO), which is an independent third party organization. The assessment was conducted on the basis of certain assumptions: a share price of 645 yen (the closing price for the trading day preceding the issuance decision day), dividend yield of 3.1%, rights exercise period of five years, risk-free interest rate of 0.16% and share price volatility of 20.56%. There are also reasonable assumptions for the activities of the Company and the Prospective Allottee. (Activities of the Company: The Company can submit at any time instructions to exercise the Stock Acquisition Rights. However, each exercise instruction shall apply to one unit of Stock Acquisition Rights (25 million yen). If Bonds with Stock Acquisition Rights are still outstanding at the redemption maturity date for these bonds, they shall be redeemed at a price of 100 yen for each 100 yen (value). Moreover, this term is established in consideration of the possibility of a sharp decline in the share price making it undesirable for the Prospective Allottee to exercise the rights, progress involving new business that does not meet expectations, and in other similar events. Regarding early redemption conditions, in principle, there will be no early redemption. Activities of the Prospective Allottee: The Prospective Allottee is to exercise the rights based on its own judgment in an appropriate fashion when the share price exceeds the conversion price. However, the number of rights exercised at one time shall be one unit of Stock Acquisition Rights. Once all shares received from exercising one unit have been sold, the next right can be exercised. But when there is an exercise instruction from the Company, the rights are to be exercised in accordance with this instruction. The number of shares sold, in consideration of the impact on the market, shall be target of approximately 10% of the average trading volume. Moreover, a demand for early redemption (put options) can be exercised starting two years after the payment date for the Bonds with Stock Acquisition Rights if the share price of Company stock is 10% or more below the closing price on the trading day preceding the issuance decision day.) The fair value is calculated using the Monte Carlo simulation, which is widely used for modeling the value of equity options, based on other issuance conditions and the conditions stipulated in the Investment Agreement with Whiz Partners.

The Company, after comparing the actual price (100 yen per face value of 100 yen) and the fair value determined by Plutus Consulting (97.7 yen per face value of 100 yen) of the Bonds with Stock Acquisition Rights, concluded that the actual price is not less than the fair value and, therefore, that the issuance terms are not particularly advantageous.

Moreover, all of the Company's corporate auditors (including the two external corporate auditors) have submitted opinions, in consideration of the following points, that the decision of the Board of Directors that the issuance conditions for the Bonds with Stock Acquisition Rights are not particularly advantageous was appropriate.

- To calculate the fair value of the Bonds with Stock Acquisition Rights, knowledge and experience relating to financial problems involving issuance procedures and related operations for the Bonds with Stock Acquisition Rights were considered to be essential. Plutus Consulting is believed to have this specialized knowledge and experience.

- Plutus Consulting does not have a contractual consulting relationship with the Company and is independent of the management team of the Company.
- Plutus Consulting performed its valuation assessment based on certain conditions (assumptions believed to be reasonable concerning the share price, rights exercise period, risk-free interest rate, share price volatility and activities of the Company and the Prospective Allottee and the issuance conditions for the Bonds with Stock Acquisition Rights and various terms in the contract to be signed by the Company and the Prospective Allottee). Plutus Consulting used the Monte Carlo simulation, which is generally used for modelling the value of equity options to determine a fair price. The Company believes that the establishment of these conditions is reasonable and that the use of the Monte Carlo simulation is appropriate.
- Due to these three points, the Company believes there is no problem concerning the reliance on the valuation assessment conducted by Plutus Consulting.
- The opinions of Plutus Consulting were used for reference at the meeting of the Board of Directors at which the Third-Party Allotment was approved. In addition, a discussion took place based on an explanation provided by the director responsible for the Third-Party Allotment.

(2) Basis for judgment that the number of shares to be issued and level of dilution are reasonable

While the whole of the Stock Acquisition Rights attached to the Bonds with Stock Acquisition Rights to be exercised, an estimated number of shares to be issued would be 1,550,387 shares. This would result in a maximum dilutive effect of 8.96% (9.35% of the voting rights) on the 17,307,750 shares (165,811 voting rights) issued and outstanding as of March 31, 2014. But given the continuing strengthening of the financial base achieved by the procurement of long-term, stable investment funding and the business relationship with Whiz Partners, the Company considers that the number of shares to be issued and the level of the dilution are reasonable given the contribution that, as detailed in "II. The Offering of Subscription for the First Unsecured Convertible-Bonds-Type Bonds with Stock Acquisition Rights to Be Issued by Allotment thereof to a Third Party, 3. Amount, use and scheduled expenditure of funds to be raised", the use of the funds raised in the Third-Party Allotment for Bonds with Stock Acquisition Rights of 1 billion yen will make to promote the Company's "inbound business", enhance the corporate value and raise the share price of the Company.

6. Reason for selecting the Prospective Allottee

(1) Profile of the Prospective Allottee

Name	Whiz Asia Evolution Fund Investment Limited Partnership
Location	36th floor, Atago Green Hills Mori Tower 2-5-1, Atago, Minato-ku, Tokyo
Jurisdiction	Limited Partnership Act for Investment (1998 Act No. 90, including subsequent revisions)
Activities	The partnership was established for the purpose of investing in, and supporting the growth and development of, privately and publicly owned companies with good growth prospects in Asia, particularly in Japan.
Established	April 1, 2013

Total amount of investment	12,800,000,000 yen	
Major investors and investment ratio	<p>1. 46.88% Organization for Small & Medium Enterprises and Regional Innovation, Japan</p> <p>* There are no other investors, other than those mentioned above, with investment ratios of 10% and over</p> <p>2. 3.13% Whiz Partners Inc. (General partner of Whiz Asia Evolution Fund Investment Limited Partnership)</p>	
Overview of general partner	Name	Whiz Partners Inc.
	Location	36th floor, Atago Green Hills Mori Tower 2-5-1, Atago, Minato-ku, Tokyo
	Representative	Toshio Ando, Chief Executive Officer and President
	Business	<p>1. Investment in, and assisting the development of, companies operating mainly in the fields of life sciences (biotechnology) and IT (information technology) in Japan and overseas</p> <p>2. Establishment of investment partnerships and control and management of investment partnership assets</p> <p>3. General management consulting</p> <p>4. Type II financial instruments business, investment advisory, agency operations and investment management. businesses</p>
	Capital	100 million yen
Relationships with the Company	Relationships between the Company and the fund	The Company had invested 0.78% (current value today of 34,162,500 yen) as a limited liability partner of the fund, which is the Prospective Allottee. As of today, the Company has concluded a transfer agreement with Whiz Partners relating to this investment whereby the Company is to end its investment and transfer this holding to Whiz Partners. The payment for the Company's holding is to be made by Whiz Partners on September 1, 2014. This transfer contract is subject to the issuance of the Bonds with Stock Acquisition Rights.
	Relationships between the Company and the general partner	Excluding the above-mentioned, there are no significant capital, personnel or business relationships between the Company and the general partner of the fund. In addition, there are no significant capital, personnel or business relationships between the Company, persons or companies affiliated with the Company and the general partner of the fund as well as persons or companies affiliated with the general partner of the fund.

* The Company asked the third-party investigation firm Tokucho Co., Ltd. (3-2-1 Kanda Surugadai, Chiyoda-ku, Tokyo; Kazue Arakawa, President and CEO) to investigate Whiz Asia Evolution Fund, the Prospective Allottee, and its managing partner Whiz Partners and its CEO to determine if these organizations are organized crime or other anti-social elements or have relationships with such elements. There was no report from Tokucho

concerning any doubt about anti-social elements or relationships. Furthermore, the fundamental policy concerning anti-social elements on the website of the Organization for Small & Medium Enterprises and Regional Innovation, Japan, which is a major investor of the Prospective Allottee, states that there will be absolutely no relationships with anti-social elements. In addition, this organization will refuse any improper requests from anti-social elements and respond with legal actions. Among other investors of the Prospective Allottee, there are no investigations of companies listed on the Tokyo Stock Exchange but Tokucho is asked to perform investigations of privately owned companies and individuals. After checking the results of these investigations, the Company has determined that there were no reports from Tokucho concerning any doubt about anti-social elements or relationships.

The Company has submitted a statement to the Tokyo Stock Exchange confirming that the Prospective Allottee, its managing partner (Whiz Partners) and its CEO and a major investor of the Prospective Allottee are not anti-social elements and have no relationships with such elements.

(2) Reason for selecting the Prospective Allottee

In December 2013, as part of its asset management activities, the Company made an investment as a limited partner in Whiz Asia Evolution Fund Investment Limited Partnership, which is managed by Whiz Partners. An investment limited partnership agreement was signed with this fund (managing partner is Whiz Partners) for an investment of 100 million yen. The primary objective of this fund is to give support to promising Japanese companies for their operations in Asia outside Japan. The Company has been supporting this asset management policy for some time as a limited partner. As the Company gained more knowledge of the portfolio of this fund, the decision was made that this fund and Whiz Partners were excellent candidates for a business alliance for the success of the Company's "inbound business." The result was the decision to conduct the Third-Party Allotment to the fund. To avoid the situation in which the Company acquires its own common stock that is issued upon the conversion of the Bonds with Stock Acquisition Rights and the Stock Acquisition Rights, the Company's investment in the fund was transferred to Whiz Partners today in order to eliminate the Company's investment in the fund.

As was explained in "I. Business Alliance, 1. Reasons for the business alliance," Whiz Partners, the managing partner of the Prospective Allottee, and Whiz Partners Asia Ltd., its subsidiary which was established in Hong Kong, have extensive networks of personal and business relationships in Taiwan, China, Hong Kong, South Korea and Thailand, which account for the majority of foreign tourists visiting Japan. Foreign tourists are the primary target of the Company's "inbound business." In addition, the Whiz Group has much experience involving the support of the Asian operations of its portfolio companies. The Company therefore believes that the Whiz Group would be an excellent partner for the "inbound business." Moreover, the Company plans to receive support from Whiz Partners involving investor relations and other aspects of management.

(3) Policy of the Prospective Allottee for holding the Company's stock

Whiz Asia Evolution Fund, the Protective Allottee, was established for the purpose of investing in privately and publicly owned companies with good growth prospects. These companies are located in Asia, mostly Japan. The fund provides support to enable these

companies to grow. The investment from this fund in the Company will be used to develop the "inbound business". The Company also plans to receive support through Whiz Partners, the fund's managing partner, for business alliances with companies in other Asian countries and for other initiatives that are aimed at increasing the Company's corporate value. In principle, the Prospective Allottee plans to be a medium- to long-term holder of the Company's common stock that it receives from the exercise of the Bonds with Stock Acquisition Rights and the Stock Acquisition Rights. However, the Prospective Allottee may sell this stock depending on the wishes of alliance partners, changes in market conditions, demand from investors and other factors. Furthermore, the Company common stock will not be sold on the open market simply for the purpose of recovering the initial investment. The Prospective Allottee has stated orally that it will, as much as possible, seek a buyer for the stock that will yield useful synergies for the Company's business activities or become a stable shareholder of the Company. The goal is to increase the valuation of the Company's stock in the stock market. However, from the standpoint of fulfilling its asset management obligations to its investors, the Prospective Allottee may sell the Company's common stock on the open market while taking into consideration the effect on the market, insider trading regulations and other factors. Whiz Partners, the managing partner of the Prospective Allottee, will have opportunities to obtain important facts as part of its cooperation concerning the Company's "inbound business" and other business development activities. As a result, Whiz Partners will be subject to insider trading restrictions until such important facts are announced to the public. The Company thus believes that opportunities to sell the Company's stock on the open market will be limited.

To sell the Bonds with Stock Acquisition Rights to a third party, Whiz Asia Evolution Fund, the Prospective Allottee, is restricted by the requirement to receive approval of the Company in the form of a resolution of the Company's Board of Directors. However, this restriction does not apply to sales to third parties of the Company's common stock that was received due to the exercise of the Stock Acquisition Rights by the Prospective Allottee. When stock is sold to a third party, the Company and the Prospective Allottee have agreed in the Investment Agreement to hold discussions concerning this sale in either of the following two cases: 1) when the Prospective Allottee is transferring, selling, or pledging as collateral the Company's common stock that was received by exercising the Stock Acquisition Rights more than 5% of all Company stock issued and outstanding at that time to the same third party; or 2) when such stock is transferred, sold or pledged to a third party that has submitted a Report of Possession of Large Volume ("Report of Possession of Large Volume" as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) or Change Report ("Change Report" as defined in Article 27-25, Paragraph 1 of the Financial Instruments and Exchange Act) concerning common stock of the Company.

(4) Details of the confirmation of the payment capacity of the Prospective Allottee

Whiz Partners has used a deposit book entry to confirm that Whiz Asia Evolution Fund, the Prospective Allottee, had a balance of 2.6 billion yen as of August 14, 2014, which is sufficient to pay for the Third-Party Allotment. The Company therefore believes that there are adequate funds to make the payment for the issuance of the Bonds with Stock Acquisition Rights.

7. Major shareholders and their shareholding ratio after offering

Before offering (As of Mar. 31, 2014)		After offering	
Toshio Kuroda	20.65%	Toshio Kuroda	18.95%
Shigeo Kuroda	9.81%	Shigeo Kuroda	9.01%
Japan Trustee Services Bank, Ltd. (Trust account)	4.91%	Whiz Asia Evolution Fund Investment Limited Partnership	8.22%
Shobunsha Publications Employees' Stock Ownership Plan	3.75%	Japan Trustee Services Bank, Ltd. (Trust account)	4.51%
Sumitomo Mitsui Banking Corporation	2.00%	Shobunsha Publications Employees' Stock Ownership Plan	3.44%
CBNY-DFA Investment Trust Company Japanese Small Company Series (Standing Proxy: Citibank Japan Ltd.)	1.61%	Sumitomo Mitsui Banking Corporation	1.84%
Founder Mapple Co., Ltd.	1.03%	CBNY-DFA Investment Trust Company -Japanese Small Company Series (Standing Proxy: Citibank Japan Ltd.)	1.48%
MTI Ltd.	1.00%	Founder Mapple Co., Ltd.	0.95%
OYO Corporation	0.92%	MTI Ltd.	0.92%
The Master Trust Bank of Japan, Ltd. (Trust account)	0.77%	OYO Corporation	0.84%

Notes

1. Based on the shareholder register as of March 31, 2014.
2. Percentages are rounded to the hundredths place.
3. The shareholding ratios after offering for the Prospective Allottee, Whiz Asia Evolution Fund are those after all Bonds with Stock Acquisition Rights are converted and all shares received due to this conversion continue to be held.
4. The 679,414 shares of treasury held by the Company as of March 31, 2014 are not included in the list of major shareholders because this stock has no voting rights.

8. Outlook

There are no revisions to the consolidated forecast for the fiscal year ending March 31, 2015 that was announced on May 15, 2014, at this time.

The Company plans to use the proceeds from the Third-Party Allotment as explained in "3. Amount, use and scheduled expenditure of funds to be raised, (2) Specific use of funds procured". The Company believes that these expenditures will lead to growth of business operations and earnings and further improve financial soundness. However, an announcement will be made promptly if there is an effect on results of operations due to the use of these proceeds in accordance with the plan.

Reference:

Consolidated forecasts for the current fiscal year (announced on May 15, 2014) and the results for the previous fiscal year

(Millions of yen)

(Consolidated)	Net sales	Operating income	Ordinary income	Net income
Forecasts for the fiscal year ending March 31, 2015	14,330	130	160	190
Results for the previous fiscal year ended March 31, 2014	13,870	659	699	433

9. Matters concerning procedures in the code of corporate conduct

The Third-Party Allotment does not require the receipt of an opinion from an independent third party or the confirmation of the wishes of shareholders as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange. The reason is that this allotment 1) has a dilution ratio of less than 25% and 2) does not involve a change in the controlling shareholder (even if all Bonds with Stock Acquisition Rights are converted, no change is foreseen in the controlling shareholder).

10. Business results for and equity finance executed in the last three years

(1) Consolidated business results for the last three years

Fiscal years ended	March 2012	March 2013	March 2014
Consolidated net sales (Millions of yen)	15,586	14,638	13,870
Consolidated operating income (Millions of yen)	1,141	272	659
Consolidated ordinary income (Millions of yen)	1,104	334	699
Consolidate net income (Millions of yen)	806	357	433
Consolidate net income per share (Yen)	48.52	21.52	26.07
Dividend per share (Yen)	20.00	20.00	20.00
Consolidate net asset per share (Yen)	1,711.86	1,723.08	1,744.29

(2) Current number of shares outstanding and dilutive shares (As of August 14, 2014)

	Number of shares	Ratio to total number of shares outstanding
Number of outstanding shares	17,307,750 shares	100%
Number of dilutive shares	- share	-%

(3) Recent share prices

1) Situation over the last three years

(Yen)

Fiscal years ended	March 2012	March 2013	March 2014
Opening price	690	609	580
High price	690	645	750
Low price	540	512	545
Closing price	611	580	692

2) Situation over the last six months

(Yen)

	March 2014	April	May	June	July	August
Opening price	710	690	630	621	665	650
High price	720	693	640	668	680	651
Low price	671	608	595	617	646	628
Closing price	692	631	620	658	651	645

Note: Share prices for August 2014 are as of August 14, 2014.

3) Share price as of the business day prior to the issuance decision day

(Yen)

	August 14, 2014
Opening price	640
High price	645
Low price	638
Closing price	645

(4) Equity finance executed in the last three years

Not applicable.

11. Terms and conditions of issuance

For information about the issuing terms for the Bonds with Stock Acquisition Rights, please see the appendix titled "Terms and Conditions of Issuance for the First Unsecured Convertible-Bonds-Type Bonds with Stock Acquisition Rights (Japanese version only)" at the end of this document.