

January 28, 2016

To Whom It May Concern:

Company Name: Message Co., Ltd. (the “Company”)  
Name of Representative: Toshio Sato  
President and Representative Director  
(JASDAQ Code Number: 2400)  
Name and Title of Contact Person: Keijiro Ishibe  
Director of Business Planning Division  
Telephone Number: 086-242-1551

Notice of Expression of Opinion Regarding the Tender Offer (Second)  
for the Company Shares by Sampo Japan Nipponkoa Holdings, Inc.

The Company resolved, at its board of directors’ meeting held today, to support a tender offer for its common shares (the “Company Shares”), which will be conducted by Sampo Japan Nipponkoa Holdings, Inc. (the “Tender Offeror”) (with January 29, 2016 being the first day of the tender offer period; the “Tender Offer” or “Second Tender Offer”), and defer to the decision of its shareholders as to whether to apply for the Second Tender Offer, as detailed below.

As stated in the Company’s press release dated December 18, 2015 titled “Notice of Expression of Opinion Regarding the Tender Offer for the Company Shares by Sampo Japan Nipponkoa Holdings, Inc.,” the Company resolved, at its board of directors’ meeting held that day, to issue an opinion in support of a tender offer for the Company Shares, which was conducted by the Tender Offeror (with December 21, 2015 being the first day of the tender offer period; the “First Tender Offer,” and together with the Second Tender Offer, the “Dual Tender Offers”), withhold its opinion concerning the appropriateness of the purchase price per Company Share in the First Tender Offer (the “First Tender Offer Price”), and defer to the decision of its shareholders as to whether to apply for the First Tender Offer. In addition, in response to the Tender Offeror’s plan that upon completion of the First Tender Offer, the Tender Offeror will conduct the Second Tender Offer at a purchase price (3,500 yen) higher than the First Tender Offer Price (2,500 yen) (a series of transactions, including the Dual Tender Offers, with the aim of making the Company a consolidated subsidiary (the “Making the Company a Subsidiary”) being the “Transactions”) promptly after the settlement of the First Tender Offer is completed, the Company’s board of directors resolved that, as of December 18, 2015, it would support the Second Tender Offer if the Second Tender Offer is to be conducted, and defer to the decision of the Company’s shareholders as to whether to apply for the Second Tender Offer.

The Dual Tender Offers are not intended for the delisting of the Company Shares, and the Company Shares will remain listed on the JASDAQ (standard) market (“JASDAQ”) of Tokyo Stock Exchange, Inc. (the “TSE”) after the Dual Tender Offers.

1. Overview of the Tender Offeror

(1) Name	Sampo Japan Nipponkoa Holdings, Inc.
(2) Address	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
(3) Name and Title of Representative	Kengo Sakurada Group CEO, Representative Director, President
(4) Business Activities	Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Act, and other related operations
(5) Capital	100 billion yen (as of September 30, 2015)
(6) Date of Establishment	April 1, 2010
(7) Major Shareholders and	STATE STREET BANK AND TRUST COMPANY 5.71%

Shareholding Ratio (as of September 30, 2015)	The Master Trust Bank of Japan, Ltd. (trust account)	4.54%
	Japan Trustee Services Bank, Ltd. (trust account)	4.06%
	The Dai-ichi Life Insurance Company, Limited	2.46%
	NKSJ Holdings Employee Shareholders Association	2.38%
	Nippon Express Co., Ltd.	1.93%
	THE BANK OF NEW YORK MELLON SA/NV 10	1.79%
	STATE STREET BANK AND TRUST COMPANY 505225	1.43%
	MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	1.31%
	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1.16%

(8) Relationship between the Company and the Tender Offeror

Capital Relationship	The Tender Offeror holds 7,688,300 Company Shares (Shareholding Ratio (Note): 38.29%) that are the sum of (i) 6,984,800 shares held directly by the Tender Offeror and (ii) 703,500 shares held indirectly by the Tender Offeror through Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”), which is a wholly owned subsidiary of the Tender Offeror.
Personnel Relationship	Five employees of Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror, are seconded to the Company.
Business Relationship	There is no particular business relationship between the Company and the Tender Offeror. There are general insurance transactions between the Company and Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror; however, there are no material transactions.
Status as a Related Party	Since the Tender Offeror became a principal shareholder and the largest shareholder and other affiliated company of the Company as a result of the First Tender Offer, the Tender Offeror is a related party of the Company.

(Note) “Shareholding Ratio” means a ratio (any fraction to be rounded off to two decimal places) to the total number of the issued shares of the Company as of November 12, 2015 (i.e., 20,080,000 shares), as set forth in the 19th Business Period Second Quarterly Report filed by the Company as of November 12, 2015; hereinafter the same applies to any Shareholding Ratio.

2. Purchase Price in the Second Tender Offer

3,500 yen per common share

3. Details of, and Grounds and Reasons for, the Opinion Concerning the Dual Tender Offers

(1) Details of the Opinion

At the board of directors' meeting of the Company held on January 28, 2016, since the Company had no particular reason to change its board of directors' decision with respect to the Second Tender Offer that had been made upon the commencement of the First Tender Offer for the grounds and reasons stated in "(iv) Processes of and Reasons for the Company's Decision-making" of "(2) Grounds and Reasons for the Opinion Concerning the Dual Tender Offers" below, the Company decided to maintain such decision, and resolved that it would support the Second Tender Offer, and defer to the decision of its shareholders as to whether to apply for the Second Tender Offer.

(2) Grounds and Reasons for the Opinion Concerning the Dual Tender Offers

(i) Overview of the Tender Offer

The Tender Offeror has explained the overview of the Dual Tender Offers to the Company as follows:

The Tender Offeror resolved, at its board of directors' meeting held on December 18, 2015, that it would execute a Memorandum of Understanding Concerning the Tender Offer, etc. (the "MOU") with the Company as of December 18, 2015, and acquire the Company Shares, which are listed on JASDAQ, through the Transactions with the main aim of Making the Company a Subsidiary.

As the first step of the Transactions, the Tender Offeror conducted the tender offer, for which the tender offer period (the "First Tender Offer Period") was from December 21, 2015 through January 25, 2016, and the First Tender Offer Price was 2,500 yen, with the main aim of acquiring (i) the 5,800,000 Company Shares (Shareholding Ratio: 28.88%) that were held, as of December 18, 2015, by Yugen Kaisha Higashiune Shoji, which was a principal shareholder and the largest shareholder of the Company ("Higashiune Shoji"; Higashiune Shoji is the asset management company for Mr. Toshiaki Hashimoto, who is the founder of the Company, was the eighth largest shareholder of the Company, and is the Representative Director and Chairman of the Company), (ii) the 600,000 Company Shares (Shareholding Ratio: 2.99%) that were held, as of December 18, 2015, by Ms. Takae Hashimoto, who was the fifth largest shareholder of the Company and is the spouse of Mr. Toshiaki Hashimoto, and (iii) the 564,800 Company Shares (Shareholding Ratio: 2.81%) that were held by Mr. Toshiaki Hashimoto as of December 18, 2015 (the total number of the Company Shares that the Tender Offeror aimed to acquire in the First Tender Offer was 6,964,800 shares, which represented a Shareholding Ratio of 34.69%; these shares shall hereinafter be referred to as the "First Tender Offer Tendered Shares", and Higashiune Shoji, Ms. Takae Hashimoto and Mr. Toshiaki Hashimoto, who held such First Tender Offer Tendered Shares, shall hereinafter collectively be referred to as the "First Tender Offer Tendering Shareholders"). Consequently, the Tender Offeror holds the 7,688,300 Company Shares (Note) (Shareholding Ratio: 38.29%) as of this date.

(Note) This number of shares is the sum of (i) 6,984,800 shares that are held directly by the Tender Offeror as of this date and (ii) 703,500 shares that are held indirectly by the Tender Offeror as of this date through Sompō Japan Nipponkoa, a wholly owned subsidiary of the Tender Offeror.

The Tender Offeror and the Company entered into the MOU as of December 18, 2015, and under the MOU, the Tender Offeror resolved that, if certain conditions precedent were satisfied, the Tender Offeror would conduct the Second Tender Offer promptly after the settlement of the First Tender Offer. Since the First Tender Offer was completed as mentioned above and the Tender Offeror confirmed that the above-mentioned conditions precedent were satisfied, the Tender Offeror will conduct the Second Tender Offer as the second step of the Transactions, with the main aim of acquiring the Company Shares held by shareholders of the Company other than the First Tender Offer Tendering Shareholders, thereby completing Making the Company a Subsidiary. The tender offer price per Company Share for the Second Tender Offer (the "Second Tender Offer Price") was determined to be 3,500 yen, which is 1,000 yen (40.00%) higher than the First Tender Offer Price (i.e., 2,500 yen). As to the details of the Second Tender Offer Price, please refer to "(iii) Determination of the Second Tender Offer Price" below. The Transactions are not to be implemented with the intention to delist the Company Shares, and the Tender Offeror and the Company intend to maintain the listing of the Company Shares after the

completion of the Dual Tender Offers as well; however, from the perspective of ensuring the opportunity for shareholders of the Company, who wish to sell the Company Shares at the Second Tender Offer Price, no maximum or minimum number has been set on the number of shares intended to be purchased at the Second Tender Offer.

(ii) Purpose and Background of the Dual Tender Offers and Management Policy after the Completion of the Dual Tender Offers

The Tender Offeror has explained the purpose and background of the Dual Tender Offers and management policy after the completion of the Dual Tender Offer to the Company as follows:

(A) Purpose and Background of the Dual Tender Offers

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

The Tender Offeror’s group is comprised of the Tender Offeror as the insurance holding company and its affiliates, which include 119 subsidiaries and 14 related companies, and the businesses conducted by the group include the domestic P&C insurance business, domestic life insurance business, foreign insurance business, nursing care and health care business, defined-contribution-pension business, and asset management business.

The Tender Offeror’s group has the brand slogan of “Innovation for Wellbeing”, and the management philosophy of the Tender Offeror’s group is that “We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible”. The vision of the Tender Offeror’s group is “to always be the best customer service provider both at home and abroad” through the Tender Offeror’s business activities.

At present, the domestic nursing care market is expected to expand rapidly. The future statistics issued by the Cabinet Office in the 2015 publication of the White Paper on the Aging Society foresees that the population aged 75 and above, which comprise the main users of nursing care services, is expected to increase from 15,920 thousands in 2014 to more than 20 million in 2025 and that a particularly rapid increase in the elderly population will be seen in Tokyo and other metropolitan areas, which will further increase the demand for nursing care services.

Under these circumstances, the report issued by the National Commission on Social Security Reform in 2013 has indicated a policy that will move Japan from a hospitalization-based system to a community-based system, which means that community residents will support and care for each other. The report also proposed increasing the ability of elderly people who require middle-to-heavy nursing care to remain in their homes. Targeting the year 2025 when the “baby boom generation” will reach 75 years old, the policy envisions forming a “comprehensive community care system” to provide residential, medical and care services, as well as prevention and living support in a comprehensive manner so as to realize the concept of “aging in place”, which assures elderly people the ability to continue their lives as they wish in a community familiar to them even after they begin to require heavy nursing care.

Under these circumstances and given the promising large size of the nursing care and related business markets that seem to warrant projections of high growth, and moreover, because the nursing care business is consistent with the above-mentioned management philosophy of the Tender Offeror’s group, which is to provide services that contribute to the “security, health and wellbeing” of its customers, the Tender Offeror has been strengthening and accelerating business initiatives in the nursing care sector, as illustrated by its 34.00% capital investment in Cedar Co.,

Ltd. through an investment limited partnership in September 2012; the capital and business alliance with the Company (the “Alliance”); the 3.50% acquisition of the Company Shares by Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror, based on the Alliance, in March 2015; and the completion of the acquisition of all of the shares in Watami no Kaigo Co., Ltd., which was renamed Sompo Care Next Inc., in December 2015. The Tender Offeror’s group intends to prioritize the nursing care business as its “core business”, equivalent to the P&C insurance business and the life insurance business and desires to reform the nursing care business, which faces a variety of challenges in today’s society, and thereby contribute to provide solutions to social challenges.

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

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

The Company also offers rental housing for elderly people with long-term nursing care services under the brand of “C Amille”, which meet the facility requirements and provide living support services in accordance with the Law Amending a Part of the Act on Securement of Stable Supply of Elderly Persons’ Housing (Act No. 32 of 2011, as amended). Moreover, in anticipation of increasing demand for at-home services, the Company started offering in February 2015 “Z Amille”, which provides nursing care services equivalent to fee-based nursing homes at the homes of customers. The Company envisions expanding the area where Z Amille is available to customers primarily in the Tokyo metropolitan area.

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

Through research and analysis of the nursing care business, the Tender Offeror’s group noticed that the Company was not only a very competitive service provider in terms of business size but also a corporation with comprehensive nursing care services, including a broad range of both facility-based services and at-home services, available to meet various needs of customers. The Tender Offeror’s group hence came to conclude that the Company would be the best business partner for the Tender Offeror’s group to fulfill its desire to become a “true service provider” in the nursing care sector. In March 2015, the Tender Offeror executed the capital and business alliance agreement with the Company and acquired 703,500 Company Shares, representing 3.50% of the outstanding shares in the Company, from Mr. Toshiaki Hashimoto, the founder and the Representative Director and Chairman of the Company. Under the Alliance, it was agreed that the Tender Offeror’s group would cooperate in the expansion of the nursing care business by

the Company, utilizing the business and customer base of the Tender Offeror's group, and the Company would cooperate in the development of insurance and other financial products to respond to the needs of an aging society by the Tender Offeror's group, utilizing the Company's knowhow in the nursing care sector. Moreover, it was agreed that both parties would jointly explore developing new services to respond to issues that arise in the super-aged society and the change of the needs of customers, utilizing their respective management resources. Cooperation in a wide range of business sectors, including development of consulting service to address the leave-for-care issue and new insurance products to better respond to an aging society have been jointly considered and discussed through the Alliance. Sharing the view that at-home nursing care is the preferred model for the future, both parties have been jointly promoting and expanding the "Z Amille", which is the full-package at-home nursing care service offered by the Company.

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

In late September, 2015, the Tender Offeror solicited the views of Mr. Hashimoto, the Company's founder and one of the First Tender Offer Tendering Shareholders, as to the possibility of the Transactions towards making the Company a consolidated subsidiary of the Tender Offeror. Through discussion, Mr. Hashimoto and the Tender Offeror came to share the vision of achieving the greatest and highest-quality nursing care business in Japan and reforming the country's nursing care business, and agreed that the Company should become a consolidated subsidiary of the Tender Offeror in order to further enhance cooperation between the Tender Offeror and the Company and improve the implementation of the measures set forth below in collaboration between the Tender Offeror and the Company to increase the corporate value of both parties. Afterwards, in early October, the First Tender Offer Tendering Shareholders, including Mr. Hashimoto, offered that the First Tender Offer Tendering Shareholders would be willing to sell their Company Shares at a price per share lower than a price to be offered by the Tender Offeror to shareholders of the Company other than the First Tender Offer Tendering Shareholders as an indication of their commitment as major shareholders to secure making the Company a consolidated subsidiary of the Tender Offeror. Accordingly, the Tender Offeror began making a concrete plan to implement the Transactions.

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

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

The Tender Offeror and the Company are considering the implementation of the following measures with a view to further increasing the corporate value of both groups:

- (a) Establishment of Internal Control Systems aimed at Improving the Quality of Nursing Care Service

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

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

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

- (c) Enhanced Productivity by Unification and Integration of Business

Integrating the nursing care business of the Tender Offeror's group and the business of the Company's group on a step-by-step basis in terms of the utilization of shared business systems and the consolidation of their respective middle-to-back office functions, the Tender Offeror and the Company will improve productivity in the nursing care business of both groups.

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

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

- (e) Collaboration with the Nursing Care Business Committee of the Tender Offeror's group

The Tender Offeror's group will set-up an internal consulting committee in charge of the nursing care business. The discussions and advice of the committee will be provided to the Company to be reflected in its business activities with a view to developing and implementing progressive nursing care services.

The committee members will be appointed from among people with a suitable background and knowledge from both the academic and business worlds. The committee will verify and analyze various challenges facing the nursing care business in Japan, hold discussions for resolution of such challenges, and give advice concerning the nursing care business strategy of the Tender Offeror's group and the direction in which the Tender Offeror's group is to steer its nursing care business.

- (f) Collaboration in New Business Generation

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

As described in detail in the foregoing, the Tender Offeror's group and the Company's group came to conclude that it would be desirable for the Company to become a consolidated subsidiary

of the Tender Offeror for the purpose of realizing an increase in the corporate value of both parties and generating innovative business models welcomed by many elderly people and their families in the nursing care sector, utilizing their respective management resources and knowhow in closer coordination. After reaching an agreement with the First Tender Offer Tendering Shareholders, the Tender Offeror resolved, at its board of directors' meeting held on December 18, 2015, the implementation of the First Tender Offer as the first phase of the Transactions, and implemented the First Tender Offer with the First Tender Offer Period from December 21, 2015 through January 25, 2016 and the First Tender Offer Price of 2,500 yen. The First Tender Offer was completed because the First Tender Offer Tendered Shares were tendered, and, consequently, the Tender Offeror holds 7,688,300 Company Shares (Shareholding Ratio: 38.29%), including 703,500 shares held by Sampo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror. According to the Tender Offeror, the Tender Offeror resolved, at the above-mentioned board of directors' meeting, that, if certain conditions precedent of the MOU were satisfied, promptly after the settlement of the First Tender Offer, it would conduct the Second Tender Offer, with the Second Tender Offer Price of 3,500 yen per share, as the second phase of the Transactions, and the Tender Offeror confirmed, after the First Tender Offer Period, that the above-mentioned conditions precedent were satisfied.

According to the Tender Offeror, in determining the Second Tender Offer Price, the Tender Offeror requested Mizuho Securities Co., Ltd. ("Mizuho Securities"), which is a third-party appraiser independent of the Tender Offeror and the Company, to conduct a valuation of the shares of the Company, and referred to the share valuation report concerning valuation of the shares of the Company (the "Share Valuation Report") received as of December 17, 2015. As to the details of the determination of the Second Tender Offer Price, please refer to "(iii) Determination of the Second Tender Offer Price" below.

**(B) Management Policy After the Completion of the Dual Tender Offers**

As publicized in the Company's press releases, the "Notice of the Results of the Examination by the Independent Third-Party Examination Committee and the Measures to Be Taken by the Company" dated December 7, 2015; the "Notice of Actions Taken against Officers of the Company and the New Organizational Structure" dated December 18, 2015; and the "Notice of Actions Taken against Outside Officers of the Company" dated December 25, 2015, in connection with the maltreatment of customers and other unlawful conducts by the help staff of the facilities run by the Company, the Company received a report (the "Committee Report") of a third-party committee comprised of independent persons that examined these cases. The report included fact-finding and analysis of irregularities and their causes, identified the responsible persons, and recommended preventive and remedial measures. The Company determined that the officers' compensation should be reduced in order to clarify where the responsibility lies but that its current officers should continue to fulfill their respective responsibilities for the time being to press forward remedial measures and reconstruction measures. The Company also determined to introduce a new organization structure, and already started to reform the facility management system and corporate governance system.

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

Given the foregoing, the Tender Offeror and the Company agreed in the MOU to implement the following measures in respect of the management structure of the Company after Making the Company a Subsidiary upon the completion of the Dual Tender Offers, which measures would be effectuated on and after the ordinary shareholders meeting of the Company scheduled for June 2016 (the "Ordinary Shareholders Meeting"). For your information, no specific officer candidates whose names are to be submitted to the Ordinary Shareholders Meeting have yet been determined:



- Three individuals designated by the Tender Offeror shall be presented to the Ordinary Shareholders Meeting as the nominees to be appointed as the members of the board of directors of the Company;
- The total number of directors after the Ordinary Shareholders Meeting shall be ten, in principle.
- One individual designated by the Tender Offeror shall be presented to the Ordinary Shareholders Meeting as the nominee to be appointed as a corporate auditor of the Company;
- The total number of corporate auditors after the Ordinary Shareholders Meeting shall be four, in principle.
- One representative director of the Company shall be appointed from among the directors as designated by the Tender Offeror;
- The corporate name of the Company shall be changed to “Sompo Care Message, Inc.” at the Ordinary Shareholders Meeting; and
- The branding of the nursing care businesses of the Company shall be discussed separately.

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

(iii) Determination of the Second Tender Offer Price

The Tender Offeror has explained the determination of the Second Tender Offer Price to the Company as follows:

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

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

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

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

Under the DCF Method, Mizuho Securities assessed the share value of the Company by discounting the cash flows that the Company is expected to generate in or after the fiscal year ending March 2016 to present value, using certain discount rates, and determined the range of the per-share value of the Company to be 3,240 yen to 4,269 yen. It was based on assumptions derived from multiple sources, including the Company’s business plans from the fiscal year ending March 2016 to the fiscal year ending March 2025, the trends of business achievements of the Company until immediately before the announcement date of the First Tender Offer, and publicly available information. As for the financial forecasts concerning

the Company that constitute the assumption on which the DCF Method is based, there is no business year for which a substantial increase or decrease of profits is anticipated.

The Tender Offeror finally determined on December 18, 2015 to set the Second Tender Offer Price to be 3,500 yen, by taking into consideration the Company's share valuation results stated in the Share Valuation Report received from Mizuho Securities and comprehensively taking into account such factors as (i) the result of due diligence of the Company conducted by the Tender Offeror, (ii) examples of premiums actually placed in tender offers conducted by parties other than issuers, (iii) market prices of the Company Shares for the past three (3) months before the base date, (iv) results of consultations and negotiations with the Company, (v) whether the Company's board of directors would support the Second Tender Offer and (vi) prospects of the shareholders' tenders for the Second Tender Offer, and announced it in the press release dated December 18, 2015 titled "Announcement Concerning Commencement of Tender Offer for Shares of Message Co., Ltd. (Stock Code: 2400)."

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

With respect to the tender offer price in the First Tender Offer conducted prior to the Second Tender Offer, the Tender Offeror conducted arm's length negotiations with the First Tender Offer Tendering Shareholders and reached an agreement to sell the First Tender Offer Tendered Shares at the price of 2,500 yen per share. Consequently, the Tender Offeror determined the First Tender Offer Price to be 2,500 yen per share. The Tender Offeror has not obtained any valuation report from an independent third-party appraiser when determining the First Tender Offer Price because, as stated above, the First Tender Offer Price determined by the Tender Offeror is the price agreed upon through negotiations with the First Tender Offer Tendering Shareholders.

As described above, since the First Tender Offer Price (2,500 yen) was the price that was determined based on the agreement with the First Tender Offer Tendering Shareholders and the Second Tender Offer Price (3,500 yen) is the price that can be obtained by adding a certain premium to the market price of the Company Shares, the Second Tender Offer Price is 1,000 yen (40.00%) higher than the First Tender Offer Price.

(iv) Processes of and Reasons for the Company's Decision-making

As stated in "(ii) Purposes and Background of the Dual Tender Offers and Management Policy after the Completion of the Dual Tender Offers" above, in late October 2015, the Company received a formal proposal from the Tender Offeror whereby the Tender Offeror will make the Company its consolidated subsidiary. Following this proposal, the Company appointed Nomura Securities Co., Ltd. ("Nomura Securities") as its financial advisor and third-party appraiser independent of the Company, and Anderson Mori & Tomotsune as its legal advisor.

With advice from Nomura Securities and Anderson Mori & Tomotsune, the Company carefully considered the appropriateness of the terms and conditions for purchases in the Dual Tender Offers and the fairness of a series of procedures in the Dual Tender Offers from the standpoint of the Company's corporate value and the common interests of its shareholders, and discussed and negotiated with the Tender Offeror such matters as the purposes of the Dual Tender Offers, management policy after the completion of the Dual Tender Offers, and terms and conditions for the Dual Tender Offers. Then, obtaining advice from their financial advisors and legal advisors, the Company and the Tender Offeror discussed and negotiated whether or not to conduct the Dual Tender Offers, terms and conditions for the Dual Tender Offers, and other matters, including the significance and purposes of the Dual Tender Offers and the

management policy after the completion of the Dual Tender Offers, on numerous occasions.

Next, as stated in “(ii) Obtaining Share Valuation Reports from Independent Third-party Appraiser of the Company” of “(6) Measures to Ensure the Fairness of the Dual Tender Offers Including Those to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, the Company requested Nomura Securities, an independent third-party appraiser which is not a related party of the Tender Offeror and the Company, to calculate the Company’s share value, and obtained a share valuation report dated December 17, 2015 from Nomura Securities in relation to the value of the Company Shares (the “Company’s Share Valuation Report”). (The Company has not obtained any opinion regarding the fairness of the purchase price per Company Share in the First Tender Offer and the Second Tender Offer (a fairness opinion) from Nomura Securities.)

Then, after carefully considering such matters as the terms and conditions for the Transactions, including the Dual Tender Offers, and the content of the Company’s Share Valuation Report, the Company made the following decisions at its board of directors’ meeting held on December 18, 2015:

The Company entered into a capital and business alliance with the Tender Offeror in March 2015, and since then, it has made efforts to develop and disseminate valuable new services for elderly people and their families by merging its knowhow of comprehensive nursing care services with the broad network held by the Tender Offer. In the nursing care service industry, although a demand increase is anticipated and the social significance of the industry is increasing year by year, the business environment is becoming more severe due to various factors, including the need to respond to social demand (e.g., changes in the fees for nursing care under the nursing care insurance system) and entry into the market by competitors from other industries. The present challenge of the Company is to enhance its competitiveness by strengthening its administration system (including securing and training human resources) and improving the business efficiency and sophistication of its provided services. Under this business environment, the Company believes that deepening its alliance with the Tender Offer’s group, which is enhancing its efforts in the nursing care market, and with which the Company has already formed an alliance, would greatly contribute to increasing the corporate value of the Company. Specifically, as stated in “(A) Purpose and Background of the Dual Tender Offers” of “(ii) Purpose and Background of the Dual Tender Offers and Management Policy after the Dual Tender Offers” above, the Company determined that it can further increase its corporate value through (a) establishment of internal control systems aimed at improvement of the quality of nursing care service, (b) utilization of information and communication technology and digital technology, (c) enhanced productivity by unification and integration of business, (d) improvement of working conditions of the help staff and promotion of their recruiting and training, (e) collaboration with the nursing care business committee of the Tender Offeror’s group, and (f) collaboration in new business generation. The Company reached the conclusion that, in order to continue to flexibly enhance its management amid a drastically changing market environment, it would be desirable to build a management structure under which the Tender Offeror and the Company can mutually provide and utilize the business infrastructure, business knowhow and management resources of the other party while the Company maintains a certain degree of autonomy and independence, and therefore, making the Company a consolidated subsidiary of the Tender Offeror is the best measure to take in order to increase corporate value of the Company. The Company believes that this measure will enable the Company (i) to strengthen its management base, and compliance and administration system by further utilizing management resources of the Tender Offeror, (ii) to maintain flexible fund-raising ability and social credibility because the Company’s shares would continue to be listed, and (iii) to allow its stakeholders to enjoy the benefit of the Company’s increased corporate value.

Further, the Company withheld its decision regarding the appropriateness of the First Tender Offer Price and determined that it was appropriate to defer to the decision of its shareholders as to whether to apply for the First Tender Offer, given that (i) the First Tender Offer Price was agreed between the First Tender Offer Tendering Shareholders and the Tender Offeror upon their negotiation, and it was assumed that only the First Tender Offer Tendering Shareholders would apply for the First Tender Offer, and on the other hand, it was assumed that shareholders

other than the First Tender Offer Tendering Shareholders would not apply therefor, and (ii) for shareholders other than the First Tender Offer Tendering Shareholders, the Tender Offeror would conduct the Second Tender Offer, the tender offer price for which was a higher price than the First Tender Offer Price, promptly after the First Tender Offer. With respect to the Second Tender Offer Price, the board of directors of the Company determined that it would defer to the decision of the Company's shareholders as to whether to apply for the Second Tender Offer, given that the Second Tender Offer Price had a certain degree of reasonableness based on the Company's Share Valuation Report obtained from Nomura Securities, and that the Transactions were not to be implemented with an intention to delist the Company Shares, and the Tender Offeror and the Company intended to maintain the listing of the Company Shares after the completion of the Dual Tender Offers.

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

Then at its board of directors' meeting held on January 28, 2016, since the Company had no particular reason to change its decision with respect to the Second Tender Offer that had been made upon the commencement of the First Tender Offer, the Company's board of directors decided to maintain such decision, and resolved that the Company would support the Second Tender Offer, and defer to the decision of its shareholders as to whether to apply for the Second Tender Offer.

### (3) Matters Concerning Calculation

In considering the Second Tender Offer Price presented by the Tender Offeror and determining its opinion on the Second Tender Offer, the Company requested Nomura Securities, which is a third-party appraiser independent of the Company and the Tender Offeror, to conduct a valuation of the Company Shares as measures to ensure fairness. Nomura Securities is not a related party of the Company or the Tender Offeror, and does not have any material interest regarding the Dual Tender Offers.

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

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

Average market price method:	2,352 yen to 2,772 yen
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DCF Method:	3,005 yen to 4,759 yen
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Under the average market price method, by setting the base date for the valuation as December 17, 2015, the range of the per-share value of the Company Shares was analyzed to be 2,352 yen to 2,772 yen, based upon the closing price on the base date of the Company Shares on JASDAQ

(2,354 yen), and the simple average closing price for the past five (5) business days (2,352 yen), the past one (1) month (2,745 yen) and the past three (3) months (2,772 yen) immediately prior to the base date of the Company Shares on JASDAQ.

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

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

(4) Prospects of Delisting and Reasons therefor

As of this date, the Company Shares are listed on JASDAQ. The Transactions are not intended to delist the Company Shares, and the Tender Offeror and the Company plan to maintain the listing of the Company Shares after the completion of the Second Tender Offer. On the other hand, the Tender Offeror does not set a maximum and minimum number of shares to be purchased in order to ensure the opportunity for the shareholders of the Company, who wish to sell shares at the Second Tender Offer Price.

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

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

(5) Matters Concerning "Two-stage Purchase"

After the completion of the Dual Tender Offers, the Tender Offeror plans to acquire the Company Shares that are held by Sampo Japan Nipponkoa, a wholly-owned subsidiary of the Tender Offeror, through a dividend of surplus or other methods.

Since the Tender Offeror aims at making the Company a consolidated subsidiary through the Transactions, in the case where the Tender Offeror is able to acquire a majority of the voting rights of the Company Shares (10,060,100 shares, Shareholding Ratio: 50.10%) through the

Second Tender Offer, at present, the Tender Offeror does not plan to acquire additional Company Shares, other than the acquisition from Sompo Japan Nipponkoa described above. On the other hand, in the case where the Tender Offeror is unable to acquire a majority of the voting rights of the Company Shares through the Second Tender Offer, the Tender Offeror plans to discuss a policy with the Company, and at present, a specific policy has not been determined; however, the Tender Offeror plans to consider a response, including the possibility of acquiring additional Company Shares, taking into consideration the situation after the Second Tender Offer.

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

The Company is not a subsidiary of the Tender Offeror as of this date, and the Dual Tender Offers do not fall under transactions with a controlling shareholder; however, upon the resolution by the Company with respect to the issuance of its opinion on the Dual Tender Offers and the execution of the MOU, the Company took the following measures to deliberately consider the Dual Tender Offers and to ensure the fairness and appropriateness of the Dual Tender Offers, considering the fact that the Tender Offeror and the First Tender Offer Tendering Shareholders, who were principal shareholders including major and the largest shareholders of the Company, had entered into the Tender Offer Agreement (the “Tender Offer Agreement”), before the completion of the First Tender Offer, to tender the First Tender Offer Tendered Shares in the First Tender Offer and that it was possible that the interests of the First Tender Offer Tendering Shareholders and that of all shareholders of the Company, other than the First Tender Offer Tendering Shareholders, did not necessarily match.

(i) Advice from Independent Law Firm of the Company

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

(ii) Obtaining Share Valuation Reports from Independent Third-party Appraiser of the Company

In considering the Second Tender Offer Price presented by the Tender Offeror and determining its opinion on the Second Tender Offer, the Company requested Nomura Securities, which is a third-party appraiser independent of the Company and the Tender Offeror, to conduct a valuation of the Company Shares, and obtained the Company’s Share Valuation Report dated December 17, 2015, as measures to ensure fairness. As to the overview of the Company’s Share Valuation Report, please refer to “(3) Matters Concerning Calculation” above. Nomura Securities is not a related party of the Company or the Tender Offeror, and does not have any material interest regarding the Dual Tender Offers. In addition, the Company has not obtained any opinion regarding the fairness of the Second Tender Offer Price (a fairness opinion) from Nomura Securities.

(iii) Unanimous Approval by the Non-Interested Directors and No Objection from Corporate Auditors of the Company

After carefully considering such matters as the terms and conditions for the Transaction, including the Dual Tender Offers, and the content of the Company’s Share Valuation Report, based on the advice regarding legal proceedings from Anderson Mori & Tomotsune and the content of the Company’s Share Valuation Report obtained from Nomura Securities, the Company resolved, at its board of directors’ meeting held on December 18, 2015, that it would issue an opinion in support of the First Tender Offer, withhold its opinion concerning the appropriateness of the First Tender Offer Price, and defer to the decision of its shareholders as to whether to apply for the First Tender Offer. Furthermore, with respect to the Second Tender Offer, as of December 18, 2015, the Company’s board of directors resolved that the Company would support the Second Tender Offer if the Second Tender

Offer is to be conducted, and defer to the decision of its shareholders as to whether to apply for the Second Tender Offer.

Then at its board of directors' meeting held on January 28, 2016, since the Company had no particular reason to change its decision with respect to the Second Tender Offer that had been made upon the commencement of the First Tender Offer, the Company decided to maintain such decision, and resolved that it would support the Second Tender Offer, and defer to the decision of its shareholders as to whether to apply for the Second Tender Offer.

Of the seven (7) directors of the Company, all of the directors excluding Mr. Toshiaki Hashimoto, six (6) directors, participated in both of the board of directors' meetings of the Company held on December 18, 2015 and January 28, 2016. All of the above resolutions of the Company's board of directors' meetings were adopted by a unanimous vote of all directors present. Regarding the decision-making on the Dual Tender Offers at both of the board of directors' meetings of the Company, since Mr. Toshiaki Hashimoto has entered into the Tender Offer Agreement with the Tender Offeror, he did not participate in the discussion or resolution, and did not attend either of the above board of directors' meetings of the Company, in order to enhance the fairness and the objectivity in the process of decision-making at both of the Company's board of directors' meetings regarding the Dual Tender Offers and the MOU, and to avoid conflicts of interest.

Further, all three (3) corporate auditors of the Company attended both of the above board of directors' meetings of the Company, and stated that they had no objections to the above resolutions.

4. Matters relating to Material Agreements between the Tender Offeror and the Company's Shareholders regarding Application for Tender Offers

With regards to the Dual Tender Offers, the Tender Offeror and the Company executed the MOU as of December 18, 2015. The MOU provides for the purpose and background, etc. of Making the Company a Subsidiary stated in "(i) Overview of the Tender Offer" of "(2) Grounds and Reasons for the Opinion Concerning the Dual Tender Offers" of "3. Details of, and Grounds and Reasons for, the Opinion Concerning the Dual Tender Offers" above and management policy, etc. stated in "(B) Management Policy after the Completion of the Dual Tender Offers" of "(ii) Purpose and Background of the Dual Tender Offers and Management Policy after the Dual Tender Offers" above. Under the MOU, the Company agrees that (i) if the Tender Offeror determines to commence the Second Tender Offer, the Company will legally and validly make, at a meeting of the Company's board of directors, a resolution to express an opinion to the effect that the Company will support the Second Tender Offer and that, although it is considered that the Second Tender Offer Price has a certain degree of reasonableness, the decision as to whether to apply for the Second Tender Offer will be deferred to each of its shareholders (the "Resolution Expressing Support for the Second Tender Offer") and will thereafter announce such resolution; (ii) the Company will change or revoke neither the resolution to express an opinion in support of the First Tender Offer nor the Resolution Expressing Support for the Second Tender Offer; (iii) the Company will not directly or indirectly induce or solicit a third party to make an offer for a transaction that conflicts or is likely to conflict with the Dual Tender Offers or Making the Company a Subsidiary or provide a third party with information regarding such transaction; and (iv) the Company will execute its business or cause its subsidiaries and affiliates to execute their business within the ordinary scope of business until the management structure of the Company is established after Making the Company a Subsidiary; provided, however, that if it is reasonably considered that the performance of the obligations of (i) and (ii) above by the Company's board of directors is likely to cause each director and corporate auditor of the Company to be in violation of their duty to exercise the due care of a prudent manager, the Company will not be obliged to perform such obligations. In addition, if the Company presents to the Tender Offeror a reasonable reason that the performance of the obligation of (iii) above by the Company's board of directors is likely to cause each director and corporate auditor of the Company to be in violation of their duty to exercise the due care of a prudent manager in relation to the examination of a competing proposal from a third party, the Tender Offeror will provide reasonable cooperation not to cause each director and corporate auditor of the Company to be in violation of such duty to exercise the due care of a prudent manager.

The Tender Offeror has obtained from Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror, a confirmation dated January 28, 2016, stating that Sompo Japan Nipponkoa will not tender the Company Shares that it holds (703,500 shares) in the Tender Offer.

5. Details of the Provision of Benefits by the Tender Offeror or its Specially-related Parties

Not applicable.

6. Response Policies in Terms of Basic Policies on the Control of the Company

Not applicable.

7. Questions to the Tender Offeror

Not applicable.

8. Request for an Extension of the Tender Offer Period

Not applicable.

9. Future Outlook

For policies, etc. after the Tender Offer, please refer to (I) “(B) Management Policy after the Completion of the Dual Tender Offers” of “(ii) Purposes and Background of the Dual Tender Offers and Management Policy after the Completion of the Dual Tender Offers” and (II) “(iv) Processes of and Reasons for the Company’s Decision-making” of “(2) Grounds and Reasons for the Opinion Concerning the Dual Tender Offers” of “3. Details of, and Grounds and Reasons for, the Opinion Concerning the Dual Tender Offers” above.

Regarding the impact of the Second Tender Offer on the Company’s financial results, the Company will promptly disclose any matter which should be disclosed upon the occurrence thereof.

(End of Document)

(Attachment)

“Announcement Concerning Commencement of Tender Offer for Shares of Message Co., Ltd. (Stock Code: 2400)” dated January 28, 2016, by Tender Offeror



[Soliciting Regulations]

This press release is intended for the announcement of the Tender Offer to the general public and has not been prepared for the purpose of soliciting an offer to sell the shares. If a shareholder wishes to make an offer to sell his or her shares, the shareholder should first read the Tender Offer Explanatory Statement for the Tender Offer and offer his or her shares for sale at his or her own discretion. This press release shall neither be, nor constitute a part of, an offer or a solicitation to sell, or a solicitation of an offer to purchase, any securities, and neither this press release (or a part thereof) nor the fact of its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, and this press release may not be relied on at the time of entering into any such agreement.

[U.S. Regulations]

- ☐ The Tender Offer is to be conducted by the Tender Offeror for securities of the Company, a company incorporated in Japan. As these companies are located in Japan and most officers of these companies reside in Japan, it may be difficult to exercise rights and make claims under the securities-related laws of the U.S. in connection with the Tender Offer. It may not be possible to initiate legal proceedings against these companies or their officers in courts outside of the U.S. on the ground of a violation of the securities laws of the U.S. Moreover, there is no guarantee that these companies or their officers or any other affiliates of these companies could be forced to submit to the jurisdiction of U.S. courts. In addition, the Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Act. However, these procedures and standards are not necessarily identical to the corresponding procedures and standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Securities Exchange Act of 1934”), and the rules promulgated thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to the procedures and standards provided under such laws and regulations. All financial information contained in this press release has been prepared based on Japanese accounting standards and is not based on U.S. accounting standards. Therefore, such financial information is not necessarily equivalent to financial information prepared based on U.S. accounting standards.
- ☐ Unless otherwise provided, all procedures for the Tender Offer shall be conducted in the Japanese language. All or some portion of the documents relating to the Tender Offer may be prepared in the English language. However, should there be any inconsistency between a document in English and that in Japanese, the Japanese document shall prevail.
- ☐ This press release contains “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or other factors, it is possible that actual results may differ materially from the projections expressly or implicitly indicated by such “forward-looking statements”. Neither the Company nor its affiliated companies guarantee that the projections expressly or implicitly indicated by such “forward-looking statements” will be accurate. The “forward-looking statements” in this press release were prepared based on information available to the Company as of the date of this press release, and unless required by law to do so, neither the Company nor its affiliated companies are obliged to update or modify such statements in order to reflect any future event or condition.

January 28, 2016

To Whom It May Concern:

Company Name:	Sompo Japan Nipponkoa Holdings, Inc.
Name of Representative:	Kengo Sakurada, Group CEO Representative Director, President and Executive Officer (Stock Code: 8630, the first section of Tokyo Stock Exchange, Inc.)
Name and Title of Contact Person:	Nobutaka Yasukawa, Manager of the Public Relations Department Telephone Number: 03-3349-3723

Announcement Concerning Commencement of Tender Offer (Second)  
for Shares of Message Co., Ltd. (Stock Code: 2400)

As announced in the “Announcement Concerning Commencement of Tender Offer for Shares of Message Co., Ltd. (Stock Code: 2400)” dated December 18, 2015 (the “Press Release Dated December 18, 2015”), Sompo Japan Nipponkoa Holdings, Inc. (the “Company” or the “Tender Offeror”) hereby announces that it will conduct the tender offer with the first day of the tender offer period being January 29, 2016 (the “Second Tender Offer” or the “Tender Offer”) for the shares of common stock of Message Co., Ltd. (Stock Code: 2400, Tokyo Stock Exchange, Inc. (“TSE”) JASDAQ (Standard) market (“JASDAQ”); the “Target Company”) (the “Target Company Shares”) in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) as stated below.

1. Purpose of the Tender Offer

(1) Overview of the Tender Offer

The Company resolved, at its board of directors’ meeting held on December 18, 2015, that it would acquire the Target Company Shares, which are listed on JASDAQ, through multiple transactions (the “Transactions”), with the primary aim of making the Target Company a consolidated subsidiary of the Company (“Making the Target Company a Subsidiary”).

As the first step of the Transactions, the Company conducted the tender offer (the “First Tender Offer” and together with the Second Tender Offer, the “Dual Tender Offers”), for which the tender offer period (the “First Tender Offer Period”) was from December 21, 2015 through January 25, 2016, and the tender offer price per share of the Target Company Shares (the “First Tender Offer Price”) was 2,500 yen, with the main aim of acquiring (i) the 5,800,000 shares of the Target Company (Shareholding Ratio (Note 1): 28.88%) that were held, as of December 18, 2015, by Yugen Kaisha Higashiune Shoji, which was a principal shareholder and the largest shareholder of the Target Company (“Higashiune Shoji”; Higashiune Shoji is the asset management company for Mr. Toshiaki Hashimoto, who is the founder of the Target Company, was the eighth largest shareholder of the Target Company, and is the Representative Director and Chairman of the Target Company), (ii) the 600,000 shares of the Target Company (Shareholding Ratio: 2.99%) that were held, as of December 18, 2015, by Ms. Takae Hashimoto, who was the fifth largest shareholder of the Target Company and is the spouse of Mr. Toshiaki Hashimoto, and (iii) the 564,800 shares of the Target Company (Shareholding Ratio: 2.81%) that were held by Mr. Toshiaki Hashimoto as of December 18, 2015 (the total number of the Target Company Shares that the Company aimed to acquire in the First Tender Offer was 6,964,800 shares, which represented a Shareholding Ratio of 34.69%; these shares shall hereinafter be referred to as the “First Tender Offer Tendered Shares”, and Higashiune Shoji, Ms. Takae Hashimoto and Mr. Toshiaki Hashimoto, who held such First Tender Offer Tendered Shares, shall hereinafter collectively be referred to as the “First Tender Offer Tendering Shareholders”). Consequently, the Company holds the 7,688,300 shares (Note 2) of the Target Company (Shareholding Ratio: 38.29%) as of this date.

(Note 1) “Shareholding Ratio” means a holding ratio to the total issued shares of the Target Company as of September 30, 2015 (i.e., 20,080,000 shares), as set forth in the 19th Business Period Second Quarterly Report filed by the Target Company as of November 12, 2015 (the “Target Company’s 19th Business Period Second Quarterly Report”), which percentage is rounded to the nearest hundredth upon the calculation thereof; hereinafter the same applies to any Shareholding Ratio.

(Note 2) This number of shares is the sum of (i) 6,984,800 shares that are held directly by the Company as of this date and (ii) 703,500 shares that are held indirectly by the Company as of this date through Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”), a wholly owned subsidiary of the Company.

The Company and the Target Company entered into the Memorandum of Understanding Concerning the Tender Offer, etc. (the “MOU”) as of December 18, 2015, and under the MOU, the Company resolved that, if certain conditions precedent were satisfied, the Company would conduct the Second Tender Offer promptly after the settlement of the First Tender Offer. Since the First Tender Offer was completed as mentioned above and the Company confirmed that the above-mentioned conditions precedent were satisfied, the Company will conduct the Second Tender Offer as the second step of the Transactions, with the main aim of acquiring the Target Company Shares held by shareholders of the Target Company other than the First Tender Offer Tendering Shareholders, thereby completing Making the Target Company a Subsidiary. The tender offer price per share of the Target Company Shares for the Second Tender Offer (the “Second Tender Offer Price”) was determined to be 3,500 yen, which is 1,000 yen (40%) higher than the First Tender Offer Price (i.e., 2,500 yen). The Transactions are not to be implemented with the intention to delist the Target Company Shares, and the Company and the Target Company intend to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers as well; however, from the perspective of ensuring the opportunity for shareholders of the Target Company other than the First Tender Offer Tendering Shareholders who wish to sell the Target Company Shares at the Second Tender Offer Price, no maximum or minimum number has been set on the number of shares intended to be purchased at the Second Tender Offer.

According to the Target Company’s press releases, “Notice of Expression of Opinion regarding the Tender Offer for the Company Shares by Sompo Japan Nipponkoa Holdings, Inc.” dated December 18, 2015, and “Notice of Expression of Opinion regarding the Tender Offer (Second) for the Company Shares by Sompo Japan Nipponkoa Holdings, Inc.” dated January 28, 2016 (collectively, the “Notices by the Target Company”), the Target Company resolved, at its board of directors’ meeting that was held on December 18, 2015, that the Target Company would issue an opinion in support of the First Tender Offer, which would be conducted as a part of the Transactions, withhold its opinion concerning the appropriateness of the First Tender Offer Price, and defer to the decision of each shareholder of the Target Company as to whether to apply for the First Tender Offer. Furthermore, since, if the First Tender Offer was completed, the Company was to conduct the Second Tender Offer at a tender offer price (i.e., 3,500 yen) higher than the First Tender Offer Price (i.e., 2,500 yen), promptly after the settlement of the First Tender Offer, as of December 18, 2015, the board of directors of the Target Company resolved, at its meeting, that the Target Company would support the Second Tender Offer if the Second Tender Offer was to be conducted, and also resolved that it would defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer, given that the Second Tender Offer Price had a certain degree of reasonableness based on the share valuation report for the Target Company Shares (the “Target Company’s Share Valuation Report”) obtained from Nomura Securities Co., Ltd. (“Nomura Securities”), and that the Transactions were not to be implemented with an intention to delist the Target Company Shares, and the Company and the Target Company intended to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers. Further, at the board of directors’ meeting of the Target Company held on January 28, 2016, since the Target Company had no particular reason to change its decision with respect to the Second Tender Offer that had been made upon the commencement of the First Tender Offer, the Target Company decided to maintain such decision and resolved that the Target Company would support the Second Tender Offer. It also resolved that it would defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer.

As to the details of the above-mentioned resolution of the board of directors' meeting of the Target Company, please refer to the Notices by the Target Company and "c. Unanimous Approval by the Non-Interested Directors and No Objection from Corporate Auditors of the Target Company" of "(4) Measures to Ensure the Fairness of the Dual Tender Offers Including Those to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below.

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

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

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

The Company's group is comprised of the Company as the insurance holding company and its affiliates, which include 119 subsidiaries and 14 related companies, and the businesses conducted by the group include the domestic P&C insurance business, domestic life insurance business, foreign insurance business, health care business, defined-contribution-pension business, and asset management business.

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

Under these circumstances, the report issued by the National Commission on Social Security Reform in 2013 has indicated a policy that will move Japan from a hospitalization-based system to a community-based system, which means that community residents will support and care for each other. The report also proposed increasing the ability of elderly people who require middle-to-heavy nursing care to remain in their homes. Targeting the year 2025 when the "baby boom generation" will reach 75 years old, the policy envisions forming a "comprehensive community care system" to provide residential, medical and care services, as well as prevention and living support in a comprehensive manner so as to realize the concept of "aging in place", which assures elderly people the ability to continue their lives as they wish in a community familiar to them even after they begin to require heavy nursing care.

Under these circumstances and given the promising large size of the nursing care and related business markets that seem to warrant projections of high growth, and moreover, because the nursing care business is consistent with the above-mentioned management philosophy of the Company's group, which is to provide services that contribute to the "security, health and wellbeing" of its customers, the Company has been strengthening and accelerating business initiatives in the nursing care sector, as illustrated by its 34.00% capital investment in Cedar Co., Ltd. through an investment limited partnership in September 2012; the capital and business alliance with the Target Company (the "Alliance"); the 3.50% acquisition of the shares in the Target Company by Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Company, based on the Alliance, in March 2015; and the completion of the

acquisition of all of the shares in Watami no Kaigo Co., Ltd., which was renamed Sompo Care Next Inc., in December 2015. The Company's group intends to prioritize the nursing care business as its "core business", equivalent to the P&C insurance business and the life insurance business and desires to reform the nursing care business, which faces a variety of challenges in today's society, and thereby contribute to provide solutions to social challenges.

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

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

The Target Company Group offers fee-based nursing homes under the brand name of "Amille," "Amille Residence" and "S Amille." The Target Company also offers rental housing for elderly people with long-term nursing care services under the brand of "C Amille", which meet the facility requirements and provide living support services in accordance with the Law Amending a Part of the Act on Securement of Stable Supply of Elderly Persons' Housing (Act No. 32 of 2011, as amended). Moreover, in anticipation of increasing demand for at-home services, the Target Company started offering in February 2015 "Z Amille", which provides nursing care services equivalent to fee-based nursing homes at the homes of customers. The Target Company envisions expanding the area where Z Amille is available to customers primarily in the Tokyo metropolitan area.

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

Through research and analysis of the nursing care business, the Company's group noticed that the Target Company was not only a very competitive service provider in terms of business size but also a corporation with comprehensive nursing care services, including a broad range of both facility-based services and at-home services, available to meet various needs of customers. The Company's group hence came to conclude that the Target Company would be the best business partner for the Company's group to fulfill its desire to become a "true service provider" in the nursing care sector. In March 2015, the Company executed the capital and business alliance agreement with the Target Company and acquired 703,500 shares of the Target Company, representing 3.50% of the outstanding shares in the Target Company, from Mr. Toshiaki Hashimoto, the founder and the Representative Director and Chairman of the Target Company. Under the Alliance, it was agreed that the Company's group would

cooperate in the expansion of the nursing care business by the Target Company, utilizing the business and customer base of the Company's group, and the Target Company would cooperate in the development of insurance and financial products to respond to the needs of an ageing society by the Company's group, utilizing the Target Company's knowhow in the nursing care sector. Moreover, it was agreed that both parties should jointly explore developing new services to respond to issues that arise in the super-aged society and the change of the needs of customers, utilizing their respective management resources. Cooperation in a wide range of business sectors, including development of consulting service to address the leave-for-care issue and new insurance products to better respond to an ageing society have been jointly considered and discussed through the Alliance. Sharing the view that at-home nursing care is the preferred model for the future, both parties have been jointly promoting and expanding the "Z Amille", which is the full-package at-home nursing care service offered by the Target Company.

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

In late September, 2015, the Company solicited the views of Mr. Hashimoto, the founder and one of the First Tender Offer Tendering Shareholders, as to the possibility of the Transactions towards making the Target Company a consolidated subsidiary of the Company. Through discussion, Mr. Hashimoto and the Company came to share the vision of achieving the greatest and highest-quality nursing care business in Japan and reforming the country's nursing care business, and agreed that the Target Company should become a subsidiary of the Company in order to further enhance cooperation between the Company and the Target Company and improve the implementation of the measures set forth below to increase the corporate value of both parties. Afterwards, in early October, the First Tender Offer Tendering Shareholders, including Mr. Hashimoto, offered that the First Tender Offer Tendering Shareholders would be willing to sell their shares at a price per share lower than a price to be offered by the Company to shareholders of the Target Company other than the First Tender Offer Tendering Shareholders as an indication of their commitment as major shareholders to secure making the Target Company a consolidated subsidiary of the Company. Accordingly, the Company began making a concrete plan to implement the Transactions.

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

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

network and various group activities of the Company's group, into the Target Company and thereby promoting business in the nursing care market as one group.

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

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

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

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

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

(c) Enhanced Productivity by Unification and Integration of Business

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

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

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

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

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

(f) Collaboration in New Business Generation

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

As described in detail in the foregoing, the Company's group and the Target Company's group came to conclude that it would be desirable for the Target Company to become a consolidated subsidiary of the Company for the purpose of realizing an increase in the corporate value of both parties and generating innovative business models welcomed by many elderly people and their families in the nursing care sector, utilizing their respective management resources and knowhow. After reaching an agreement with the First Tender Offer Tendering Shareholders, the board of directors of the Company approved at the meeting held on December 18, 2015 the implementation of the First Tender Offer as the first phase of the Transactions, and implemented the First Tender Offer with the First Tender Offer period from December 21, 2015 through January 25, 2016 and the First Tender Offer Price of 2,500 yen. The First Tender Offer was completed because the First Tender Offer Tendered Shares were tendered, and, consequently, the Company came to hold 7,688,300 shares of the Target Company (Shareholding Ratio: 38.29%), including the shares held by Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Company. The Company resolved, at the above-mentioned board of directors' meeting, that, if certain conditions precedent of the MOU were satisfied, promptly after the settlement of the First Tender Offer, it would conduct the Second Tender Offer, with the Second Tender Offer Price of 3,500 yen per share, as the second phase of the Transactions, and the Company confirmed, after the First Tender Offer Period, that the above-mentioned conditions precedent were satisfied.

In determining the Second Tender Offer Price, the Company requested Mizuho Securities Co., Ltd. ("Mizuho Securities"), which is a third-party appraiser independent from the Company and the Target Company, to conduct a valuation of the shares of the Target Company, and referred to the share valuation report concerning valuation of the Target Company Shares (the "Share Valuation Report") received as of December 17, 2015. As to the details of the determination of the Second Tender Offer Price, please refer to "(i) Basis of Calculation" and "(ii) Background of Calculation" of "(4) Basis of Calculation for Tender Offer Price" of "2. Overview of the Tender Offer" below.

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

As publicized in the Target Company's press releases, the "Notice of the Results of the Examination by the Independent Third-Party Examination Committee and the Measures to Be Taken by the Company" dated December 7, 2015; the "Notice Concerning Disciplinary Action against Officers of the Company and New Organizational Structure" dated December 18, 2015; and the "Notice Concerning Disciplinary Action against Outside Officers of the Company" dated December 25, 2015, in connection with the maltreatment of customers and other unlawful conducts by the help staff of the facilities run by the Target Company, the Target Company received a report (the "Committee Report") of a third-party committee comprised of independent persons that examined these cases. The report included fact-finding and analysis of irregularities and their causes, identified the responsible persons, and recommended preventive and remedial measures. The Target Company determined that the officers' compensation should be reduced in order to clarify where the responsibility lies, but that its current officers should continue to fulfill their respective responsibilities for the time being to press forward remedial measures and reconstruction measures. The Target Company also determined to introduce a new organization structure, and already started to reform the facility management system and corporate governance system.

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

Given the foregoing, the Company and the Target Company agreed in the MOU to implement the following measures in respect of the management structure of the Target Company after the completion of the Dual Tender Offers, which measures would be effectuated on and after the ordinary shareholders meeting of the Target Company scheduled for June 2016. For your



information, no specific officer candidates whose names are to be submitted to the said shareholders meeting have yet been determined:

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

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

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

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

director and corporate auditor of the Target Company to be in violation of such duty to exercise the due care of a prudent manager.

The Company has obtained from Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Company, a confirmation dated January 28, 2016, stating that Sompo Japan Nipponkoa will not tender the Target Company Shares that it holds (703,500 shares) in the Tender Offer (the “Sompo Japan Nipponkoa’s Statement of its Intention Not to Tender”).

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

According to the Notices by the Target Company, the Target Company is not a subsidiary of the Company as of this date, and the Dual Tender Offers do not fall under transactions with a controlling shareholder; however, upon the resolution by the Target Company with respect to the issuance of its opinion on the Dual Tender Offers and the execution of the MOU, the Target Company took the following measures to deliberately consider the Dual Tender Offers and to ensure the fairness and appropriateness of the Dual Tender Offers, considering the fact that the Company and the First Tender Offer Tendering Shareholders, who were principal shareholders including a major and the largest shareholder, had entered into the Tender Offer Agreement (the “Tender Offer Agreement”), before the completion of the First Tender Offer, to tender the First Tender Offer Tendered Shares in the First Tender Offer and that it was possible that the interests of the First Tender Offer Tendering Shareholders and that of all shareholders of the Target Company, other than the First Tender Offer Tendering Shareholders did not necessarily match.

a. Advice from Independent Law Firm by the Target Company

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

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

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

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

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

Average market price method:	2,352 yen to 2,772 yen
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DCF Method:

3,005 yen to 4,759 yen

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

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

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

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

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

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

maintains a certain degree of autonomy and independence, and therefore, Making the Target Company a Subsidiary is the best measure to take in order to increase corporate value of the Target Company. The Target Company believes that this measure will enable the Target Company (i) to strengthen its management base, and compliance and administration system by further utilizing management resources of the Company, (ii) to maintain flexible fund-raising ability and social credibility because the Target Company's shares would continue to be listed, and (iii) to allow its stakeholders to enjoy the benefit of the Target Company's increased corporate value.

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

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

Further, at the board of directors' meeting of the Target Company held on January 28, 2016, since the Target Company had no particular reason to change its decision with respect to the Second Tender Offer that had been made upon the commencement of the First Tender Offer, the Target Company decided to maintain such decision and resolved that the Target Company would issue an opinion in support of the Second Tender Offer. It also resolved to issue an opinion that it would defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer.

Of the seven (7) directors of the Target Company, all of the directors excluding Mr. Toshiaki Hashimoto, six (6) directors, participated in both of the board of directors' meetings of the Target Company held on December 18, 2015 and January 28, 2016. All of the above resolutions of the Target Company's board of directors' meetings were adopted by a unanimous vote of all directors present. Regarding the decision-making on the Dual Tender Offers at both of the board of directors' meetings of the Target Company, since Mr. Toshiaki Hashimoto has entered into the Tender Offer Agreement with the Company, he did not participate in the discussion or resolution, and did not attend either of the above board of directors' meetings of the Target Company, in order to enhance the fairness and the objectivity in the process of decision-making at both of the Target Company's board of directors' meetings regarding the Dual Tender Offers and the MOU, and to avoid conflicts of interest.

Further, all three (3) corporate auditors of the Target Company attended both of the above board of directors' meetings of the Target Company, and stated that they had no objections to the above resolutions.

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

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

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

#### (6) Prospects of Delisting

As of this date, the Target Company Shares are listed on JASDAQ. The Transactions are not intended to delist the Target Company Shares and the Company and the Target Company plan to maintain the Target Company Shares listed after the completion of the Second Tender Offer. On the other hand, the Company does not set a maximum and minimum number of shares to be purchased in order to provide an opportunity for all shareholders of the Target Company, other than the First Tender Offer Tendering Shareholders, to sell shares at the Second Tender Offer Price.

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

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

## 2. Overview of the Tender Offer

### (1) Outline of the Target Company

(i)	Name	Message Co., Ltd.
(ii)	Address	522-1, Nishiichi, Minami-ku, Okayama-shi
(iii)	Title and Name of	Toshio Sato, Representative Director and President

	Representative		
(iv)	Description of Business	In-home service business, rental, administration and operation of residences for the elderly, and management of fee-based homes for the elderly, etc. pursuant to the Long-Term Care Insurance Act	
(v)	Stated Capital	3,925,160,000 yen (as of September 30, 2015)	
(vi)	Date of Incorporation	May 26, 1997	
(vii)	Major Shareholders and Shareholding Ratios (as of September 30, 2015) (Note 1)	Yugen Kaisha Higashiune Shoji (Note 2)	28.88%
		CMBL S.A RE MUTUAL FUNDS (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	4.06%
		Sompo Japan Nipponkoa Insurance Inc.	3.50%
		TAIYO HANEI FUND, L.P. (Standing Proxy: Citibank Japan Ltd.)	3.12%
		Takae Hashimoto (Note 2)	2.98%
		STATE STREET BANK AND TRUST COMPANY (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Services Division)	2.98%
		Japan Trustee Services Bank, Ltd. (Trustee account 9)	2.94%
		Toshiaki Hashimoto (Note 2)	2.81%
		JP MORGAN CHASE BANK 385632 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	2.15%
		THE BANK OF NEW YORK MELLON SA/NV 10 (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.94%
(viii)	Relationship between the Tender Offeror and the Target Company (as of January 28, 2016)		
	Capital Relationship	The Tender Offeror holds 7,688,300 shares (Shareholding Ratio: 38.29%) of the Target Company that are the sum of (i) 6,984,800 shares held directly by the Tender Offeror and (ii) 703,500 shares held indirectly by the Tender Offeror through Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror.	
	Personal Relationship	Five employees of Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror, are seconded to the Target Company.	
	Business Relationship	Not applicable. There are general insurance transactions between Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Tender Offeror, and the Target Company; however, there are no material transactions.	
	Status as a Related Party	Since the Tender Offeror is a principal shareholder and the largest shareholder and other affiliated company of the Target Company, the Tender Offeror is a related party of the Target Company.	

(Note 1) The information regarding the Shareholding Ratios is extracted from “Status of Major Shareholders” in the Target Company’s 19th Business Period Second Quarterly Report.

(Note 2) Since Yugen Kaisha Higashiune Shoji, Ms. Takae Hashimoto and Mr. Toshiaki Hashimoto tendered all of their shares in the First Tender Offer and the First Tender Offer was completed, the Tender Offeror has acquired all of such shares held by such three parties.

(2) Timeline, etc.

(i) Timeline

Date of the Public Notice of the Tender Offer	Friday, January 29, 2016 Public disclosure will be made electronically, and a notice of such disclosure will be published in the Nihon Keizai Shimbun. EDINET (electronic disclosure for investors' network): ( <a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a> )
Filing of the Registration Statement	Friday, January 29, 2016

(ii) Tender Offer Period as of the time of filing the Registration Statement

From Friday, January 29, 2016 through Monday, February 29, 2016 (21 business days)

(iii) Possible extension of the Tender Offer Period based on the Target Company's request

If the Target Company submits an opinion report requesting an extension of the tender offer period of the Second Tender Offer (the "Second Tender Offer Period" or the "Tender Offer Period") pursuant to Article 27-10, Paragraph 3 of the Act, the Tender Offer Period shall be extended to 30 business days in Japan, until Friday, March 11, 2016.

(3) Tender Offer Price

3,500 yen per share of common stock

(4) Basis of Calculation for Tender Offer Price

(i) Basis of Calculation

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

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

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

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

Under the DCF Method, Mizuho Securities calculated the value of the Target Company shares by discounting the cash flows that the Target Company is expected to generate in or after the fiscal year ending March 2016 to present value, using certain discount rates, and determined the range of the per-share value of the Target Company to be 3,240 yen to 4,269 yen. It was based on assumptions derived from multiple sources, including the Target

Company's business plans from the fiscal year ending March 2016 to the fiscal year ending March 2025, the trends of business achievements of the Target Company until the announcement date of the First Tender Offer, and publicly available information. As for the financial forecasts concerning the Target Company that constitute the assumption on which the DCF Method is based, there is no business year for which a substantial increase or decrease of profits is anticipated.

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

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

With respect to the tender offer price in the First Tender Offer conducted prior to the Second Tender Offer, the Company conducted arm's length negotiations with the First Tender Offer Tendering Shareholders and reached an agreement to acquire the First Tender Offer Tendered Shares at the price of 2,500 yen per share. Consequently, the Company determined the First Tender Offer Price to be 2,500 yen per share. The Company has not obtained any valuation report from an independent third-party appraiser when determining the First Tender Offer Price because, as stated above, the First Tender Offer Price determined by the Company is the price agreed upon through negotiations with the First Tender Offer Tendering Shareholders.

As described above, since the First Tender Offer Price (2,500 yen) was the price that was determined based on the agreement between the First Tender Offer Tendering Shareholders and the Second Tender Offer Price (3,500 yen) is the price that can be obtained by adding a certain premium to the market price of the Target Company Shares, the Second Tender Offer Price is 1,000 yen (40%) higher than the First Tender Offer Price.

## (ii) Background of Calculation

### (Background of Determination of the Tender Offer Price)

As described in "a. Purpose and Background of Decision to Conduct the Dual Tender Offers" of "(2) Purpose and Background of Decision to Conduct the Dual Tender Offers and Management Policy after the Dual Tender Offers" of "1. Purpose of the Tender Offer" above, the Company and the Target Company came to conclude that it would be desirable for the Target Company to become a consolidated subsidiary of the Company for the purpose of realizing an increase in the corporate value of both parties and generating innovative business models welcomed by many elderly people and their families in the nursing care sector, utilizing their respective management resources and knowhow based on closer coordination between the Company's group and the Target Company's group. The Board of Directors of the Company approved the implementation of the First Tender Offer as the first phase of the Transactions on December 18, 2015. The Company conducted the First Tender Offer, with the First Tender Offer Period from December 21, 2015 through January 25, 2016 and the First Tender Offer Price of 2,500 yen. The Company set the Second Tender Offer



Price at 3,500 yen per share in conducting the Second Tender Offer, as the second phase of the Transactions based on the followings:

(a) Acquisition of the Share Valuation Report from Independent Third-party Appraiser

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

(b) Overview of the Opinion

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

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

(c) Background of Determination of the Tender Offer Price Based on Such Opinion

The Company resolved on December 18, 2015 to set the Second Tender Offer Price in the case where the Second Tender Offer would be launched at 3,500 yen per share, by taking into consideration the share valuation results stated in the Share Valuation Report received from Mizuho Securities and comprehensively taking into account such factors as (i) the result of due diligence of the Target Company conducted by the Company, (ii) premiums actually placed in precedents of tender offers conducted by parties other than issuers, (iii) market prices of the Target Company Shares for past three (3) months before the base date, (iv) results of consultations and negotiations with the Target Company, (v) whether the Target Company's board of directors would support the Second Tender Offer and (vi) prospects of the shareholders' tenders for the Second Tender Offer. Based on the above resolution, the Company conclusively confirmed on January 28, 2016 that it would launch the Second Tender Offer with the Second Tender Offer Price of 3,500 yen.

(iii) Relationship with Appraiser

Mizuho Securities, which is the financial advisor to the Company, is not a related party of the Company or the Target Company, and does not have any material interest regarding the Dual Tender Offers.

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

Number of shares intended to be purchased	Minimum number of shares intended to be purchased	Maximum number of shares intended to be purchased
12,391,626	-	-

(Note 1) No maximum or minimum number is set on the number of shares intended to be purchased at the Tender Offer. Accordingly, all of the tendered shares will be purchased by the Tender Offeror.

(Note 2) The number of shares intended to be purchased is the number of shares obtained by deducting the total of (i) (a) the number of the treasury shares as of September 30, 2015, as described in the Summary of Financial Statements for the Second Quarterly Report of the Fiscal Year Ending March 2016 (74 shares), (b) the number of the Target Company Shares

held by the Tender Offeror as of this date(6,984,800 shares) and (c) the number of the Target Company Shares held by Sompo Japan Nipponkoa (703,500 shares) from (ii) the number of the total issued shares of the Target Company as of September 30, 2015, as described in the Target Company's 19th Business Period Second Quarterly Report (20,080,000 shares). The Company confirmed that Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Company, will not tender the Target Company Shares that it holds (703,500 shares) in the Tender Offer, through the Sompo Japan Nipponkoa's Statement of its Intention Not to Tender.

(Note 3) The Company does not intend to acquire treasury shares held by the Target Company through the Tender Offer.

(Note 4) Shares constituting less than a whole unit will also be subject to purchase through the Tender Offer. The Target Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act (Act No. 86 of 2005, as amended) to require the Target Company to purchase shares constituting less than a whole unit.

(6) Change in Ownership Percentage of Shares due to the Tender Offer

Number of Voting Rights Represented by Shares Owned by Tender Offeror prior to the Tender Offer	69,848	(Ownership Percentage of Shares prior to the Tender Offer: 34.79 %)
Number of Voting Rights Represented by Shares Owned by Specially Related Parties prior to the Tender Offer	7,035	(Ownership Percentage of Shares prior to the Tender Offer: 3.50%)
Number of Voting Rights Represented by Shares Owned by Tender Offeror following the Tender Offer	193,764	(Ownership Percentage of Shares following the Tender Offer: 96.50%)
Number of Voting Rights Represented by Shares Owned by Specially Related Parties following the Tender Offer	7,035	(Ownership Percentage of Shares following the Tender Offer: 3.50%)
Total Number of Voting Rights of Shareholders of the Target Company	200,773	

(Note 1) The "Number of Voting Rights Represented by Shares Owned by Specially Related Parties prior to the Tender Offer" represents the total number of voting rights with respect to the number of shares held by each specially related party (excluding the treasury shares held by the Target Company and the shares held by the parties that are excluded from the Specially Related Parties pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Ordinance Concerning the Disclosure of Tender Offers for Shares, Etc., by Persons Other Than Issuers (Ministry of Finance Ordinance No. 38 of 1990, as amended) (the "TOB Order") in the calculation of the shareholding ratio prescribed in each Item of Article 27-2, Paragraph 1 of the Act). Although the shares held by specially related parties (excluding the treasury shares held by the Target Company) are also the subject of the Tender Offer, since the Company has confirmed through the Sompo Japan Nipponkoa's Statement of its Intention Not to Tender that Sompo Japan Nipponkoa, which is a wholly owned subsidiary of the Company, will not tender the Target Company Shares that it holds (703,500 shares) in the Tender Offer, the number of voting rights (7,035 units) represented by the shares owned by Sompo Japan Nipponkoa (703,500 shares) is stated above as the "Number of Voting Rights Represented by Shares Owned by Specially Related Parties following the Tender Offer".

(Note 2) The “Total Number of Voting Rights of Shareholders of the Target Company” represents the total number of voting rights of all shareholders and other parties of the Target Company as of September 30, 2015, as described in the Target Company’s 19th Business Period Second Quarterly Report (described on the assumption that 1 unit is 100 shares). However, because shares constituting less than a whole unit (except for the treasury shares constituting less than a whole unit held by the Target Company) are also subject to the Tender Offer, for the purpose of calculating the “Ownership Percentage of Shares prior to the Tender Offer” and the “Ownership Percentage of Shares following the Tender Offer”, the “Total Number of Voting Rights of Shareholders of the Target Company” used in the calculation (200,799 units) is the number of voting rights corresponding to the number of shares (20,079,926 shares) obtained by deducting (i) the number of the treasury shares as of September 30, 2015, as described in the Summary of Financial Statements for the Second Quarterly Report of the Fiscal Year Ending March 2016 (74 shares), from (ii) the number of the total issued shares of the Target Company as of September 30, 2015, as described in the Target Company’s 19th Business Period Second Quarterly Report (20,080,000 shares).

(Note 3) The “Ownership Percentage of Shares prior to the Tender Offer” and the “Ownership Percentage of Shares following the Tender Offer” are rounded to the nearest hundredth of a percent.

(7) Tender Offer Price JPY 43,370 million

(Note) The “Tender Offer Price” is an amount calculated by multiplying the number of shares intended to be purchased (12,391,626 shares) through the Tender Offer by the Second Tender Offer Price per share (3,500 yen).

(8) Method of Settlement

(i) Name and Location of Head Office of Security Companies and Banks, etc. in Charge of Settlement for the Tender Offer

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

(ii) Commencement Date of Settlement

March 7, 2016 (Monday)

(Note) : The commencement date of settlement shall be March 18, 2016 (Friday) in the event that the Target Company submits an opinion report requesting an extension of the Tender Offer Period pursuant to Article 27-10, Paragraph 3 of the Act.

(iii) Method of Settlement

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

(iv) Method of Returning Shares

If all of the shares tendered are not purchased under the conditions stated in “(ii) Conditions of Withdrawal, etc. of the Tender Offer, Details thereof and Method of Disclosure of Withdrawal, etc.” under “(9). Other Conditions and Methods of the Tender Offer” below, the Tender Offer Agent will return the shares, which have to be returned, to Tendering Shareholders by restoring the record of such shares to the original record as at the time of the application

promptly after the commencement date of settlement (in the case of withdrawal of the Tender Offer, the date that the Tender Offer was withdrawn.).

(9) Other Conditions and Methods of the Tender Offer

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

Since no maximum or minimum number is set on the number of shares intended to be purchased at the Second Tender Offer, all of the tendered shares will be purchased by the Tender Offeror.

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

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 (i) through 1.9 (ri) and Items 1.12 (wo) through 1.18 (so), Items 3.1 (i) through 3.8 (chi) and 3.10 (nu), as well as Article 14, Paragraph 2, Items 3 through 6 of the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended; the “Enforcement Order”), the Tender Offeror may withdraw the Tender Offer. The event referred to by Article 14, Paragraph 1, Item 3.10 (nu) of the Enforcement Order means any of the following cases, which are equivalent to the events listed in Items Article 14, Paragraph 1, Items 3.1 (i) through 3.9 (ri) of the Enforcement Order.

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

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

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

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

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

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

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

Tendering Shareholders may, at any time during the Tender Offer Period, cancel an application for the Tender Offer. In case of such cancellation, Tendering Shareholders must deliver or mail a written request to cancel the application for the Tender Offer (the “Written Request for Cancellation”), with a receipt slip of the application for the Tender Offer enclosed, to the head office or any of the nationwide branches of the Tender Offer Agent, which accepted the application, by 15:00 on the last day of the Tender Offer Period. The

cancellation of the application will be effective when the Written Request for Cancellation is delivered to or has reached the Tender Offer Agent. Therefore, please note that shareholders cannot cancel the application unless the Written Request for Cancellation has reached the Tender Offer Agent by 15:00 on the last day of the Tender Offer Period in the case of mailing the Written Request for Cancellation.

The Tender Offeror will not make any claim for payment of damages or penalty to any Tendering Shareholders in the event that the contract by Tendering Shareholders is canceled. The cost of returning the shares in the custody of the Tender Offeror will be also borne by the Tender Offeror. In case of cancellation, the Tender Offer Agent will promptly return the shares by the method described in “(iv) Method of Returning Shares” of “(8) Method of Settlement” above following the completion of the cancellation procedures.

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

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

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

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

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

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

(10) Date of Public Notice of Commencement of the Tender Offer

January 29, 2016 (Friday)

(11) Tender Offer Agent

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

3. Policies after the Tender Offer and Future Prospects

Please refer to “(2) Purpose and Background of Decision to Conduct the Dual Tender Offers and Management Policy after the Dual Tender Offers”, “(5) Plans to Acquire Additional Shares of the Target Company following the Dual Tender Offers” and “(6) Prospects of Delisting” of “1. Purpose of the Tender Offer”.

#### 4. Other Information

##### (1) Agreements between the Tender Offeror and the Target Company or its Directors and Officers, and Contents Thereof

###### a. Support of the Dual Tender Offers

According to the Notices by the Target Company, the Target Company resolved, at its board of directors' meeting which had been held on December 18, 2015, that, as of December 18, 2015, the Target Company supported the Second Tender Offer if the Second Tender Offer was to be conducted, and also had resolved to issue an opinion that it would defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer, given that the Second Tender Offer Price had a certain degree of reasonableness based on the Target Company's Share Valuation Report obtained from Nomura Securities, and that the Transactions were not to be implemented with an intention to delist the Target Company Shares, and the Company and the Target Company intended to maintain the listing of the Target Company Shares after the completion of the Dual Tender Offers.

Further, at the board of directors' meeting of the Target Company held on January 28, 2016, since the Target Company had no particular reason to change its decision with respect to the Second Tender Offer that had been made upon the commencement of the First Tender Offer, the Target Company decided to maintain such decision and resolved that the Target Company would support the Second Tender Offer. It also resolved that it would defer to the decision of each shareholder of the Target Company as to whether to apply for the Second Tender Offer.

As to the details of the above-mentioned Target Company's resolution at its board of directors' meeting, please refer to the Notices by the Target Company and, "c. Unanimous Approval by the Non-Interested Directors and No Objection from Corporate Auditors of the Target Company" of "(4) Measures to Ensure the Fairness of the Dual Tender Offers Including Those to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" of "1. Purpose of the Tender Offer" above.

###### b. Matters Concerning Material Agreements Related to the Dual Tender Offers

For the Dual Tender Offers, the Company and the Target Company entered into the MOU as of December 18, 2015. As to the details of the MOU, please refer to "(3) Matters Concerning Material Agreements Related to the Dual Tender Offers" of "1. Purpose of the Tender Offer" above.

##### (2) Other Information Deemed Necessary for Decision-Making by Investors Concerning the Tender of Their Shares

As the objective of the Tender Offer is to make the Target Company a subsidiary, the Company plans to file a notification based on Article 271-32, Paragraph 2, Item 3 of the Insurance Business Act after the commencement of the Tender Offer.

(End of Document)

[Soliciting Regulations]

This press release is intended for the announcement of the Tender Offer to the general public and has not been prepared for the purpose of soliciting an offer to sell the shares. If a shareholder wishes to make an offer to sell his or her shares, the shareholder should first read the Tender Offer Explanatory Statement for the Tender Offer and offer his or her shares for sale at his or her own discretion. This press release shall neither be, nor constitute a part of, an offer or a solicitation to sell, or a solicitation of an offer to purchase, any securities, and neither this press release (or a part thereof) nor the fact of its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, and this press release may not be relied on at the time of entering into any such agreement.

[U.S. Regulations]

- The Tender Offer is to be conducted by the Company, the Tender Offeror, for securities of the Target Company, a company incorporated in Japan. As these companies are located in Japan and most officers of these companies reside in Japan, it may be difficult to exercise rights and make claims under the securities-related laws of the U.S. in connection with the Tender Offer. It may not be possible to initiate legal proceedings against these companies or their officers in courts outside of the U.S. on the ground of a violation of the securities laws of the U.S. Moreover, there is no guarantee that these companies or their officers or any other affiliates of these companies could be forced to submit to the jurisdiction of U.S. courts. In addition, the Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Act. However, these procedures and standards are not necessarily identical to the corresponding procedures and standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Securities Exchange Act of 1934”), and the rules promulgated thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to the procedures and standards provided under such laws and regulations. All financial information contained in this press release has been prepared based on Japanese accounting standards and is not based on U.S. accounting standards. Therefore, such financial information is not necessarily equivalent to financial information prepared based on U.S. accounting standards.
- Unless otherwise provided, all procedures for the Tender Offer shall be conducted in the Japanese language. All or some portion of the documents relating to the Tender Offer may be prepared in the English language. However, should there be any inconsistency between a document in English and that in Japanese, the Japanese document shall prevail.
- This press release contains “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or other factors, it is possible that actual results may differ materially from the projections expressly or implicitly indicated by such “forward-looking statements”. Neither the Tender Offeror nor its affiliated companies guarantee that the projections expressly or implicitly indicated by such “forward-looking statements” will be accurate. The “forward-looking statements” in this press release were prepared based on information available to the Tender Offeror as of the date of this press release, and unless required by law to do so, neither the Tender Offeror nor its affiliated companies are obliged to update or modify such statements in order to reflect any future event or condition.
- The financial advisor to the Tender Offeror, and its affiliated companies may, within their ordinary course of secondary market business and to the extent permitted under Japan’s financial instruments laws and other applicable laws and in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934, prior to the commencement of, or during the tender offer period of the Tender Offer, engage in the purchase of shares of common stock of the Target Company for their own account or for their customers’ accounts by means other than pursuant to the Tender Offer. If any information concerning such purchase is disclosed in Japan, disclosure in the English language will be made on the Company’s website or through other disclosure methods.