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Announcement Regarding the Tender Offer for the Shares of Calsonic Kansei Corporation (Securities Code 7248)

We announce that as of today, CK Holdings Co., Ltd. ("we" or the "Offeror") has reached an agreement with Calsonic Kansei Corporation (Securities Code: 7248, First Section of the Tokyo Stock Exchange) (the "Target Company") for the acquisition of the common shares (the "Target Company Shares") of the Target Company through a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (the "Act").

We intend to commence the Tender Offer following the fulfillment of the following conditions:

① Receipt of necessary approvals and completion of procedures required by competition authorities and other related laws and regulations of various countries, including the laws of Japan, the United States of America, the People's Republic of China, the European Union and Russia, including the expiration of applicable waiting periods;

② Receipt of an opinion by the Target Company from those who do not have any interest in the Target Company, Nissan Motor Co., Ltd. ("Nissan") or the Offeror to the effect that the resolution of the board of directors of the Target Company approving the Transaction (as defined in the section titled "(1) Summary of the Tender Offer" within "1. Purpose of the Tender Offer") would not be disadvantageous to the minority shareholders;

③ Adoption of a resolution at a meeting of the board of directors of the Target Company with the affirmative vote of all directors present at the meeting (excluding any directors who have or would have an interest in the Transaction) to express an opinion to support the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer; and

④ Fulfillment of certain other conditions (these items ① to ④, the "Conditions Precedent to the Tender Offer") contained in the Tender Agreement (as defined in the section titled "(1) Summary of the Tender Offer" within "1. Purpose of the Tender Offer").

In the event that one or more of the Conditions Precedent to the Tender Offer is not satisfied, the Tender Offeror may, in its discretion, elect to waive such Conditions Precedent to the Tender Offer, in whole or in part, and proceed with the Tender Offer.

We plan to commence the Tender Offer promptly after satisfaction (or waiver by the Offeror) of the Conditions Precedent to the Tender Offer. Presently, we aim to commence the Tender Offer during late February 2017, but, because we are unable to accurately predict the amount of time the domestic and foreign competition authorities will require for their review, we will announce the schedule for the Tender Offer promptly after it has been determined.

Note: In addition to the items set forth in ① through ③ above, the Tender Agreement contains the following conditions to the commencement of the Tender Offer: (i) the representations and warranties of Nissan in the Tender Agreement must be true and correct in all material respects, (ii) Nissan must have duly performed in all material respects all of its obligations, agreements and covenants to be performed or complied with under the Tender Agreement on or prior to the date of commencement of the Tender Offer (the "Tender Offer Commencement Date"), (iii) the Target Company must have executed and issued to the Tender Offeror a covenants letter pursuant to which the Target Company commits not to issue a dividend exceeding ¥570, and (iv) no restraining order, injunction or other order preventing the Tender Offer shall be in effect or have been threatened in writing.

1. Purpose of the Tender Offer

(1) Summary of the Tender Offer

The Offeror is a stock company (*kabushiki kaisha*) established on October 6, 2016, with the primary goal of supporting and managing the business activities of the Target Company following completion of the Tender Offer, through which it will acquire and hold the Target Company Shares. All issued and outstanding shares of the Offeror are currently owned by KKR CK Investment L.P., a limited partnership established under the laws of the Cayman Islands on February 24, 2016, which is indirectly owned and operated as an investment fund by Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates and other related entities, "KKR").

KKR's investment philosophy is to invest from a long-term perspective in partnership with the management of the acquired company. KKR partners with companies and management teams with outstanding potential and business foundations and leverages its resources and network with the aim of creating industry leaders. Based on this philosophy, KKR focuses on carve-outs of subsidiaries and business units from large corporations and supports their development as independent enterprises by supporting their organic and inorganic growth, increasing their profitability and improving their business processes. KKR has a track record of more than 50 carve-outs globally.

Founded in 1976, KKR is a comprehensive asset management firm included among the world's leading private equity funds and is listed on the New York Stock Exchange. Since the opening of its Tokyo office in 2006, KKR has been actively investing in the Japanese market, with investment professionals from diverse backgrounds that possess an understanding of Japanese business practices. In 2010, KKR invested in Intelligence, Ltd., a provider of comprehensive HR services. In 2014, KKR supported the carve-out of Panasonic Healthcare Co., Ltd. ("PHC") from Panasonic Corporation, and subsequently through KKR's support PHC was able to acquire the diabetes care business Bayer Aktiengesellschaft and affiliates of its subsidiary, Bayer HealthCare, in 2016, demonstrating KKR's capability in helping its Japanese portfolio companies carry out follow-on acquisitions of overseas enterprises. In 2015, KKR invested in Pioneer DJ, then a business unit of Pioneer Corporation, building on its track record of supporting the stand-alone growth of subsidiaries and business units of major Japanese companies.

Through the Tender Offer, the Offeror intends to acquire all of the issued and outstanding Target Company

Shares (excluding treasury shares held by the Target Company) listed on the First Section of the Tokyo Stock Exchange, such that the Target Company will become a wholly-owned subsidiary of the Offeror (such transaction, the "Transaction").

As of today, the Offeror and the parent company of the Target Company, Nissan (which holds 111,163,990 shares, representing an ownership percentage (see Note 1) of 41.50% of the Target Company), have executed an agreement regarding the terms of the Tender Offer for all of the Target Company Shares (the "Tender Agreement"). For a summary of the Tender Agreement, please refer to "(6) Material Agreements regarding the Tender Offer."

Note 1: The ownership percentage, here and throughout this release, has been calculated by dividing the number of Target Company shares held by Nissan by 267,882,277 shares (the "Tender Target Shares") and rounding to the second decimal place, with the Tender Target Shares having been calculated as follows: (i) the 273,241,631 shares of the Target Company issued and outstanding as of September 30, 2016 (as stated in the 116th Fiscal Period Second Quarter Securities Report of the Target Company filed on November 8, 2016 (the "116th Fiscal Period Second Quarter Securities Report")), minus (ii) the 5,359,354 treasury shares held by the Target Company as of September 30, 2016 (as stated in the Target Company's Consolidated Financial Results for the Second Quarter Ended September 30, 2016 of the Fiscal Year Ending March 31, 2017, released by the Target Company on November 8, 2016 ("the FY2016 Second Quarter Financial Results")).

The Offeror has set 178,588,185 shares, or two-thirds of the Tender Target Shares, as the minimum number of shares to be purchased in the Tender Offer. If the total number of shares tendered by shareholders in the Tender Offer (the "Tendered Shares") is less than 178,588,185 shares, then the Offeror intends not to purchase any of the Tendered Shares. The Offeror has not set a limit on the maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Shares exceeds the minimum threshold of 178,588,185 shares, the Offeror intends to purchase all of the Tendered Shares.

If the Offeror is unable to acquire all of the Target Company Shares (other than the treasury shares held by the Target Company) in the Tender Offer, then, following the successful completion of the Tender Offer, the Offeror intends to undertake a series of procedures to become the sole shareholder of the Target Company (for details, see "(4) Policy for organizational restructuring after the Tender Offer (matters relating to 'Two-Step Acquisition')").

The Target Company has today issued a press release titled "Announcement Concerning Opinion on Tender Offer by CK Holdings Co., Ltd." (the "Target Press Release"). According to the Target Press Release, in light of the proposal from the Offeror, the Target Company, as part of the Transaction, plans to issue a special dividend (the "Special Dividend") conditioned upon the success of the Tender Offer with a record date (the "Special Dividend Record Date") of the calendar day prior to the Tender Offer commencement date. As part of the Transaction, the Tender Offeror plans to pay cash consideration of ¥1,860 per common share to the existing shareholders of the Target Company. However, in the event that the Special Dividend is declared prior to the Tender Offer commencement date, then the Tender Offeror will calculate the offer price for the Tender Offer (the "Tender Offer Price") by deducting the per share value of the Special Dividend from this planned price of ¥1,860 per common share. See the section titled "(3) Tender Offer Price" under "2. Outline of the Tender Offer" for additional details.

In other words, in the event the Special Dividend is declared by the Tender Offer commencement date and the Tender Offer is successful, Target Company shareholders as of the Special Dividend Record Date that tender their shares in the Tender Offer will still receive cash consideration of ¥1,860 per share (here and hereinafter, before any withholding tax deduction), because such shareholders will receive the Special Dividend, *plus* the Tender Offer Price (as such Tender Offer Price will have been reduced by the deduction of the Special Dividend). However, shareholders acquiring Target Company Shares following the Special Dividend Record Date will not be entitled to receive the Special Dividend as a result of such acquisition of Target Company Shares.

The Offeror intends to obtain part of the necessary funds for settlement of the Tender Offer by borrowing from financial institutions (the "Debt Financing"). The Offeror intends to obtain such funds by the business day prior to the first day of settlement for the Tender Offer, conditional upon the success of the Tender Offer. As part of the Debt Financing, it is expected that pledges will be issued with respect to the Target Company Shares acquired by the Offeror in the Tender Offer and other assets. Furthermore in connection with the Debt Financing, it is expected that after the Offeror becomes the sole shareholder of the Target Company, the Target Company and its material consolidated subsidiaries will become guarantors to the Offeror and pledges over their respective assets will also be issued. In the event that the Target Company issues the Special Dividend, once the Target Company becomes a subsidiary of the Offeror after completion of settlement of the Tender Offer, we intend to lend to the Target Company a portion of the Debt Financing, which would constitute a portion of the capital required to pay the Special Dividend to the Target Company shareholders. Accordingly, the effective date and the payment date of the Special Dividend will follow the commencement of settlement of the Tender Offer. We will announce a more detailed timeline at the time of commencement of the Tender Offer.

According to the Target Press Release, at a meeting held today, the Target Company's board of directors issued a resolution to the effect that the Tender Offer represents a reasonable sale opportunity, in its opinion based on present circumstances, the Target Company intends to issue an opinion supporting the Tender Offer, and the Target Company board recommends that the shareholders of the Target Company tender their shares in the Tender Offer once it has been commenced. The Tender Offer is expected to commence promptly following the satisfaction of the Conditions Precedent to the Tender Offer (or waiver thereof by the Offeror). Presently, it is expected that the Tender Offer will commence during late February 2017, but it is not possible to generate an accurate prediction of the amount of time the foreign and domestic competition authorities will require for their review, the Target Company's board of directors has decided to re-issue its opinion concerning the Tender Offer upon commencement of the Tender Offer, based on consultation with the independent committee established by the Target Company. For this purpose, the independent committee will examine whether there have been any changes that would affect the resolution of the board of directors issued today and will inform the board of directors of its opinion. For additional details, see the below section titled "② The Target Company has established an independent committee to provide an opinion regarding the Transaction" under "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" under "1. Purposes of the Tender Offer."

For details of the resolution of the Target Company's Board of Directors discussed above, please refer to the Target Press Release as well as the section titled "④ The Transaction has received the unanimous approval of the directors with no interest in the Target Company and there has been no objection from the Target Company's independent statutory auditors" under "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" under "1. Purposes of the Tender Offer."

(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer

The background, purpose and decision-making process leading to the Offeror's decision to conduct the Tender Offer as well as the management policy following the Tender Offer are described below. The description of the Target Company included below is based on publicly available information and explanations received from the Target Company.

① The Business Environment of the Target Company

Calsonic Kansei was formed in April 2000 through the merger of Calsonic Corporation and Kansei Corporation, and is currently listed on the First Section of the Tokyo Stock Exchange. Calsonic Corporation was established in August 1938 and became listed on the Tokyo Stock Exchange in February 1962. Kansei Corporation was established in October 1956, became listed on the Second Section of the Tokyo Stock Exchange in November 1978 and later became listed on the First Section of the Tokyo Stock Exchange in August 1990.

The Target Company, together with its 45 subsidiaries and 9 affiliate companies, is primarily engaged in the manufacture and sale of automotive parts worldwide. The Target Company's corporate vision is to be "a global automotive company, inspired to be world-leading in innovation and Monozukuri, while contributing to a sustainable society," and it has gained the trust of automotive manufacturers, its main customers, and built up a strong track record.

Presently, the Target Company produces and sells a wide variety of products through four business divisions: Thermal Products (climate control, compressors, heat exchange products), Exhaust Systems, Interior Products (cockpit modules) and Electronic Products. The main features of each business division are explained below.

The Target Company's Thermal Products division, by controlling the mix of various thermal energies released during an automobile's operation, ensures the maintenance of a comfortable passenger environment while contributing to the reduction of carbon dioxide emissions.

The Exhaust Systems division offers products that provide the ideal balance among the conflicting product requirements of improvements in noise reduction, exhaust gas purification capability and reduced engine load.

The Interior Products division offers products that provide comfort through user-friendliness, attractiveness and texture, with enhanced safety while driving.

The Electronic Products division provides a wide range of products that ensure comfort and safety, such as user-friendly and easy-to-read Human Machine Interface products, and environmental products related to electric vehicles.

The Target Company established a representative office in the United States in 1972 and has since proceeded with active overseas expansion in conjunction with the overseas expansion of the automobile manufacturers who represent the Target Company's primary customers. Presently, the Target Company has operations in the Americas, Europe, China and Asia, with 78 worldwide production facilities in 16 countries, including a new facility in Wuhan, China, established in the previous fiscal year. With the provision of products to customers as its first priority, the Target Company has constructed a flexible production system to meet the needs of each region. Furthermore, in addition to Japan, the Target Company also has R&D facilities in the Americas, Europe, China and Asia and is equipped with a supply system to offer high quality products throughout the world. In recent years, the Target Company has proceeded with strengthening its capabilities in each region and, from the previous year into the current one, has opened or expanded R&D facilities in the United States, the United Kingdom, France and India. As part of its medium-term business plan (GX4T10), the Target Company has actively been introducing environmentally-friendly products with the objective of putting ten new products on the market, starting with EGR coolers for gasoline engines and injection-molded skin instrument panels. In line with this objective, the Target Company continues to develop technologies to enable the accelerated introduction of environmentally-friendly, fuel-efficient products.

As for the global automotive industry, growth is expected to be driven by the growing needs of markets in developing countries, with the market in the United States reaching peak demand and slowing growth in China. With regard to currency markets, there have been sudden, short-term fluctuations in exchange rates and there is a need to deal with the effects of such fluctuations. Furthermore, technological innovation has continued to accelerate in recent years, with non-linear innovations such as electrification and advanced driver-assistance systems ("ADAS") that anticipate self-driving vehicles. These innovations continue to revolutionize the structure of the automotive industry that has formed over the last hundred years. As such new technologies become commercially viable, the Offeror believes that the automotive industry is currently entering an important transition stage, which will see a succession of new entries not only from auto-parts manufacturers, but also from the electronic components and information and communications industries, leading to the multi-polarization of competitors and competitive areas unimaginable in the existing industry structure. Furthermore, among existing automotive parts manufacturers and especially the European mega-suppliers, there have been business restructurings based on industry selection and concentration through ambitious strategic M&A activity. There has also been a movement towards strengthening R&D activities for products such as ADAS, self-driving cars and connectivity by leveraging efficient R&D systems and the provision of considerable R&D resources. At the same time, technological R&D is shifting from car manufacturers to automotive parts manufacturers, with increasing cases of new technological developments being led by automotive parts manufacturers. Following this trend, automobile manufacturers will no longer select automobile parts manufacturers with reference to the automobile manufacturers' associated conglomerates or regional networks, contributing to further increases in the intensity of global competition.

In the midst of this changing environment, KKR believes that, while the Target Company must continue its relationships with existing customers, it is also necessary to plan for further growth by expanding the Target Company's customer base and increasing investments in its product portfolio in growth area. It will also be necessary to undertake inorganic M&A transactions and fundamental policy reform with the aim of transforming the Target Company from a component parts supplier into a supplier that offers system solutions that include new technologies. The Offeror believes such steps are essential for the Target Company to increase its enterprise value and pursue sustainable growth.

② Discussions between the Offeror, the Target Company and Nissan, and the decision-making process of the Offeror

Due to the current state of the automotive parts industry, Nissan began looking for a new partner for the Target Company, with a view to increasing its competitiveness and enhancing its enterprise value, and KKR participated in the bidding process when Nissan consulted with a number of companies in April 2016 regarding the sale of Nissan's Target Company Shares. After the submission of KKR's first bid, during the second round of the auction process and starting in July 2016, KKR conducted due diligence on the Target Company's business, finances and legal matters, interviewed the Target Company's management and conducted further analysis regarding the acquisition of the Target Company Shares. Based on this analysis, KKR submitted a final offer of terms and conditions, including the Tender Offer Price, and was selected by Nissan as the final Tender Offer candidate in early November 2016 after considering its proposal in the aggregate, from the perspective of increasing the competitiveness and enhancing the enterprise value of the Target Company, as well as with respect to the Tender Offer Price and other terms and conditions of the proposal.

After KKR's selection, KKR and Nissan proceeded with discussions and negotiations regarding the terms and conditions of the Transaction, including the Tender Offer Price. Concurrently, KKR began to explain the terms and conditions of its proposal to the independent committee established by the Target Company (please refer to the below section titled "② The Target Company has established an independent committee to provide an opinion regarding the Transaction" within "(3) Measures to ensure the fairness of the tender offer price and avoid conflicts of interest, and other measures to ensure the fairness of the tender offer"), and entered into discussions and negotiations that included Nissan with the Target Company. As a result, the Offeror, the Target Company and Nissan came to an agreement regarding the terms and conditions of the Transaction, and the Offeror and Nissan today entered into the Tender Agreement, pursuant to which the Offeror will carry out a Tender Offer for all of the Target Company Shares into which Nissan will tender all of its Target Company Shares. Under the Tender Agreement, the Offeror has agreed to commence the Tender Offer once the Conditions Precedent to the Tender Offer are satisfied (or waived by the Offeror).

③ The decision-making process and reasons of the Target Company

According to the Target Press Release, the Target Company received a proposal from Nissan in late October 2016 with respect to Nissan's intent to sell its shareholding. The Target Company carefully examined the proposed terms and conditions of the Transaction from the perspective of enhancing enterprise value while also taking into account the following: (a) the measures described in the section below titled "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer," (b) the share valuation report (the "Share Valuation Report") obtained from a third party financial advisor, Mizuho Securities Co., Ltd. ("Mizuho Securities") and legal advice from the Target Company's legal advisor, Nagashima Ohno & Tsunematsu, and (c) the report (the "Report") submitted by the independent committee established by the Target company on October 28, 2016 to serve as an advisory body to the Target Company's board of directors in examining the proposal concerning the Transaction. For details regarding the members of the independent committee and the matters entrusted to it, see the section titled "② The Target Company has established an independent committee to provide an opinion regarding the Transaction" under "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" under "1. Purposes of the Tender Offer."

After examining the proposal received in early November 2016 from KKR, who had participated in the bidding process, the Target Company reached the below conclusions regarding the Transaction. The Target Company has decided that, by taking measures to resolve existing management issues while utilizing KKR's resources, the Target Company can accelerate its future growth, and, thus, the Transaction is necessary to further enhance the Target Company's enterprise value.

(a) Realization of prompt investments in plants and equipment and major product groups

In a business environment with a series of new market participants utilizing recent advancements in electronification and self-driving automobiles, and continued increases in competition from companies that are not auto-parts manufacturers, the Target Company must take measures to promote future growth. The Target Company believes that, from a medium to long-term perspective, such measures include immediate and reasonable capital investments and investments in R&D. By becoming an independent company through the Transaction, the Target Company believes that it will be able to freely construct strategies based on such capital investment and R&D and make flexible investments in the growing field as a result of KKR's external capital.

(b) Expanding sales to auto manufacturers other than Nissan and developing a strategic sales structure

Currently, approximately 80% of the Target Company's transactions are with Nissan, but the Target Company believes that transactions with other automobile manufacturers will be important to its further growth in the future. By utilizing the external capital introduced through the Transaction, the Target Company plans to make use of KKR's broad network and approach automobile manufacturers other than Nissan to expand its customer line-up.

(c) Enhancing the profitability and competitiveness of major product groups

Although the Target Company has already enhanced its profitability and competitiveness by implementing "Monozukuri Total Cost Reduction" as part of its activities to reduce costs, the Target Company believes that it can take advantage of KKR's knowledge in developing effective improvement measures, enhancing existing facilities with the introduction of external capital and improving productivity.

(d) M&A for the purpose of expanding the customer base and reinforcing existing businesses

The Target Company has a strong customer base both within Japan and internationally that includes Nissan. However, in order to seek continuing growth, the Target Company believes it is necessary to further expand its customer base and acquire product groups that will reinforce its existing business. In pursuit of such aims, the Target Company believes KKR's knowledge and broad network will enable it to quickly execute such M&A transactions with these goals in mind .

While the Target Company deems it essential to implement the above measures in order to improve its medium term enterprise value, certain costs and time are required for the effect of such measures to become apparent. Moreover, since additional investments will have to be made as necessary in a timely manner, the burden of which may cause a temporary drop in performance of the Target Company.

The Target Company believes that implementing these measures while its shares still are listed may result not only in falling short of expectations of the existing shareholders who seek stable growth in profits, but also in a risk of share price destabilization due to short-term undervaluation by the market. Therefore, the Target Company believes that establishing a management with a medium-term outlook as a wholly-owned subsidiary of the Offeror is the best way to address business risks such as temporary downturns in business, as the management team and employees of the Target Company will be able to work together under unified management policies without being influenced by short-term changes in performance.

In addition to the points listed above, the Target Company has determined that the Tender Offer will provide its shareholders a reasonable opportunity to sell their shares in light of the following considerations about the Tender Offer Price:

(i) the Tender Offer Price exceeds the upper range of calculation results for the share price of the Target Company Shares based on the market share price method and comparable company method and is within the range of calculation results based on the discounted cash flow method (the "DCF Method") as contained in the Share Valuation Report provided by Mizuho Securities (as described in the section titled "① The Target Company has procured a share valuation report from an independent third-party financial advisor" under "(3) Measures to ensure the fairness of the tender offer price and avoid conflicts of interest, and other measures to ensure the fairness of the tender offer");

(ii) the Tender Offer Price represents (x) a premium of 40.70% on ¥1,322, the closing price of the Target Company Shares on the Tokyo Stock Exchange on November 21, 2016, the business day immediately preceding the date of the announcement of the Tender Offer, a premium of 48.68% on ¥1,251, the one-month average closing price through November 21, 2016, a premium of 81.29% on ¥1,026, the three-month average closing price through November 21, 2016, and a premium of 101.52% on ¥923, the six-month average closing price through November 21, 2016 (with each premium figure rounded to the second decimal place), and (y) a premium of 80.58% on ¥1,030, the closing price of the Target Company Shares on the First Section of the Tokyo Stock Exchange as of October 27, 2016, which was the business day immediately preceding October 28, 2016, when speculative media reports regarding Nissan's sale of its Target Company Shares were released, a premium of 88.07% on ¥989, the one-month average closing price through October 27, 2016, a premium of 107.36% on ¥897, the three-month average closing price through October 27, 2016, and a premium of 116.03% on ¥861, the six-month average closing price through October 27, 2016;

(iii) the Target Company has taken measures to ensure the fairness of the Tender Offer and has taken into consideration the interests of minority shareholders as described in the section titled "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer"; and

(iv) the Tender Offer Price was determined after taking the measures to ensure the fairness of the Tender Offer described in the preceding item (iii).

Based on the above factors, at a meeting held today, the Target Company's board of directors issued a resolution, in its judgment based on present circumstances, supporting the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer once it has been commenced.

Furthermore, the Offeror plans to carry out the Tender Offer promptly upon satisfaction of the Conditions Precedent to the Tender Offer (or waiver thereof by the Offeror). As of today, the Offeror is aiming to commence the Tender Offer in late February 2017. However, since it is difficult to accurately predict the amount of time the foreign and domestic competition authorities will require for their review, the Target Company has indicated that its board of directors has decided to re-issue its opinion concerning the Tender Offer upon commencement of the Tender Offer, based on consultation with the independent committee established by the Target Company. For this purpose, the independent committee will examine whether there have been any changes that would affect the resolution of the board of directors issued today and will inform the board of directors of its opinion. For additional details, see the below section titled "② The Target Company has established an independent committee to provide an opinion regarding the Transaction" under "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" under "1. Purposes of the Tender Offer."

The above-mentioned resolution by the meeting of board of directors was resolved pursuant to the method described in "④ The Transaction has received the unanimous approval of the directors with no interest in the Target Company and there has been no objection from the Target Company's independent statutory auditors" of "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" below. For details, see the section titled "(iv) Unanimous Approval by Company's non-interested directors and no objection from any of the Company's non-interested statutory auditors" of "(6) Measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure the fairness of the Tender Offer" in the Target Press Release.

④ Post-Tender Offer Management Policy

Following the Transaction, KKR, together with the management of the Target Company, intends to continue to utilize the solid business foundations of the Target Company, which until now were built up globally under Nissan's guidance, in order to promote a plan for further global expansion through utilizing their combined management resources, network and knowledge of the global automotive industry.

Following the Transaction, the Offeror plans to appoint directors and outside corporate auditors selected by KKR, but the number of candidates, the timing of their selection and the identity of such individuals has not currently been decided. Additionally, the Offeror intends to introduce an incentive plan for the management of the Target Company that will include stock options to motivate the Offeror and the Target Company management to work as one and build a system to increase the long-term enterprise value of the Target Company.

(3) Measures to ensure the fairness of the tender offer price and avoid conflicts of interest, and other measures to ensure the fairness of the tender offer

Due to the fact that the interests of Nissan, the parent of the Target Company, and the other shareholders of the Target Company are not necessarily aligned, and because Nissan and the Offeror have entered into the Tender Agreement, the Offeror and the Target Company have implemented the following measures to avoid conflicts of interest and ensure the fairness of the Tender Offer Price. We note that the descriptions below regarding the measures taken by the Target Company are based on explanations received from the Target Company.

① The Target Company has procured a share valuation report from an independent third-party financial advisor

According to the Target Press Release, the Target Company obtained the Share Valuation Report on November 22, 2016 from Mizuho Securities, a third-party financial advisor independent from the Company and the Offeror, in order to ensure fairness in the decision-making process concerning the price on which the Tender Offer Price is based (¥1,860 per common share) presented by the Offeror. However, the Target Company has not obtained a fairness opinion regarding the price on which the Tender Offer Price is based (¥1,860 per common share).

Mizuho Securities calculated the share value of the Target Company Shares by using the market share price method, the comparable company method, and the DCF Method. The value ranges per Target Company Share as calculated by using the aforementioned methods are as provided below. The prices set forth below are the reasonable per-share prices of the Target Company Shares and do not reflect deduction of the Special Dividend.

- Market share price method (First Reference Date): ¥923 to ¥1,322
- Market share price method (Second Reference Date): ¥861 to ¥1,030
- Comparable company method: ¥1,149 to ¥1,540
- DCF Method: ¥1,572 to ¥1,960

Based on the market share price method, using November 21, 2016 (the "First Reference Date") as the stock reference date, the per-share value of the Target Company Shares has been estimated to range from ¥923 to ¥1,322, based on the closing price (¥1,332) of the Target Company Shares on the Tokyo Stock Exchange on the First Record Date, and the simple moving average of the closing prices of the Target Company Shares on the Tokyo Stock Exchange for the most recent one-month period (¥1,251), the most recent three-month period (¥1,026), and the most recent six-month period (¥923). In the interest of excluding the influence of media speculation regarding Nissan's sale of its Target Company Shares on the stock price, using October 27, 2016 (the "Second Reference Date"), which was the business day immediately preceding October 28, 2016, the day such media reports were made, as the stock reference date, the per-share value of the Target Company Shares has been estimated to range from ¥861 to ¥1,030, based on the closing price (¥1,030) of the Target Company Shares on the Tokyo Stock Exchange on the Second Reference Date, and the simple moving average of the closing prices of the Target Company Shares on the Tokyo Stock Exchange for the one-month period (¥989), the three-month period (¥897), and the six-month period (¥861) prior to October 28, 2016.

Based on the comparable company method, the value of the Target Company Shares has been evaluated by comparing the market stock prices and financial statements that show the profitability and other factors of listed companies that are engaged in businesses that are similar to the Target Company's business. According to this evaluation method, the per-share value of the Target Company has been estimated to range from ¥1,149 to ¥1,540.

Based on the DCF Method, using September 30, 2016 as the reference date, the enterprise value of the Target Company and the value of the Target Company Shares has been evaluated, and the per-share value of the Target Company Shares has been estimated to range from ¥1,572 to ¥1,960. This evaluation method considered the future cash flows of the Target Company based on the future earnings forecast of the Target Company for the 6 fiscal years from the fiscal year ending March 31, 2017 to the fiscal year ending March 31, 2022 and determining the present value of such future cash flows by discounting them by a certain discount rate. The financial forecasts of the Target Company which were used as the basis of the calculations for the DCF Method do not include business years in which a significant increase or decrease in earnings is expected. Furthermore, the implementation of the Transaction was not assumed when the Target Company's business plan was prepared.

The projected consolidated financial results (Japanese GAAP) based on the Target Company's business plans that Mizuho Securities used as the basis of its DCF Method calculations are set forth in the chart below. We do not anticipate any significant increases or decreases in earnings in the business plan on which the calculation is based. Moreover, because it is difficult to accurately estimate the expected synergy effects to be realized from executing the Transaction at this time, such synergy effects are not reflected in the consolidated financial forecast below.

(Units: Hundreds of Millions of Yen)

	Fiscal year ending March 2017	Fiscal year ending March 2018	Fiscal year ending March 2019	Fiscal year ending March 2020	Fiscal year ending March 2021	Fiscal year ending March 2022
Net sales	10,000	10,114	10,362	10,751	11,193	11,495

Operating profit	390	424	477	547	619	664
EBITDA	651	668	719	791	864	912

For the calculation of the value of the Target Company Shares, Mizuho Securities generally used information provided by the Target Company and publicly available information "as is," based on the assumption that all of such information was accurate and complete and that there were no other facts that had not been disclosed to Mizuho Securities that may have had a material effect on the calculation of the value of the Target Company Shares. Therefore, Mizuho Securities has not independently verified the accuracy and completeness of such information. Moreover, the calculation assumes that (i) there has been no independent evaluation or appraisal of the assets and liabilities of the Target Company and its subsidiaries and affiliates (including derivative transactions, off-balance-sheet assets and liabilities and other contingent liabilities); (ii) the financial forecasts of the Target Company used in such calculations were reasonably prepared by the Target Company's management based on the most appropriate forecasts and decisions possible at the time; and (iii) the Target Company's financial forecasts reflect the information and economic situation of the Target Company as of November 21, 2016.

② The Target Company has established an independent committee to provide an opinion regarding the Transaction

According to the Target Press Release, on October 28, 2016, the Target Company established an independent committee for the purpose of ensuring the fairness, transparency and objectivity of the Target Company's decision-making process. The independent committee is comprised of three members who are independent from the Target Company, Nissan and the board of directors of the Offeror. The members of the independent committee are: Mr. Norio Takamatsu (outside director of the Target Company and independent executive); Mr. Hirotsugu Umeki (outside corporate auditor of the Target Company and independent executive); and Mr. Kota Yamaguchi (attorney-at-law, Kimura, Takushima & Yamaguchi, an outside expert). The members of the independent committee have not changed since the establishment of the committee. The Target Company requested the independent committee to advise the Target Company as to whether the Transaction, including the Tender Offer, is disadvantageous to the interests of the minority shareholders of the Target Company after considering (a) whether the purpose of the Transaction contributes to the enhancement of the enterprise value of the Target Company; (b) whether the offer price for the Tender Offer and other conditions of the Transaction are fair; and (c) whether the negotiation process and procedures leading to the Transaction were appropriate (the "Matters of Inquiry").

As of the date hereof, the independent committee has met six times since its establishment on October 28, 2016 to discuss and consider the Matters of Inquiry. Specifically, the independent committee collected information regarding the Transaction for consideration and discussion as follows: (i) the independent committee requested an explanation of the content of the proposal regarding the Transaction and conducted a question-and-answer session; (ii) the independent committee requested an explanation from the Target Company as to its attitude toward the Offeror's proposal regarding the Transaction as well as the influence of the Transaction on the Target Company's enterprise value and conducted a question-and-answer session; (iii) the independent committee requested an explanation from Mizuho Securities regarding the results of its share value calculations and conducted a question-and-answer session; and (iv) related information regarding the Transaction was submitted.

Based on these considerations, the independent committee consulted with each other and considered tthe Matters of Inquiry, including (i) whether the objectives of the Transaction will contribute to the enhancement of the Target Company's enterprise value and are therefore justifiable, (ii) whether the Tender Offer Price and other conditions of the Transaction are fair, and (iii) whether the procedures leading to the Transaction, such as the negotiation process, were appropriate. As a result, as of today, the independent committee unanimously approved and submitted a report to the board of directors of the Target Company stating its opinion as follows: "The Transaction, including the Tender Offer, is not disadvantageous to the interest of the minority shareholders of the Company; provided that, although the Offeror is planning to commence the Tender Offer in late February 2017 following completion of necessary approvals and procedures required by competition authorities and other related laws and regulations of various countries, including the laws of Japan, the United States of America, the People's Republic of China, the European Union and Russia, including the expiration of applicable waiting periods, and the fulfillment of the Conditions Precedent to the Tender Offer, it is difficult for the Offeror to accurately predict the amount of time the foreign and domestic competition authorities will require for their review and the Offeror intends to announce the scheduled for the Tender Offer promptly after it has been determined. Accordingly, the independent committee thinks it necessary to confirm whether the relevant underlying facts considered in our report have not changed upon commencement of the Tender Offer."

According to the report received from the independent committee, the main factors considered by the independent committee were as follows:

(i) The explanation received regarding the Transaction's objectives, as described above in the section titled "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer," and the content of the questions and answers between the independent committee and the Offeror did not contain any unreasonable points, and the independent committee did not judge there to be any exceptional circumstances indicating that the purpose of the Transaction was unreasonable or disadvantageous to the Target Company's enterprise value.

(ii) The result of the independent committee's careful consideration was that it did not recognize any exceptional circumstances indicating that the pricing of the Tender Offer or other terms or conditions of the Transaction should be viewed as unfair, taking into account that: (a) The per-share values of the Target Company in the Share Valuation Report prepared by Mizuho Securities included the market share price method (First Reference Date) (¥923 to ¥1,322), the market share price method (Second Reference Date) (¥861 to ¥1,030), the comparable company method (¥1,149 to ¥1,540) and the DCF Method (¥1,572 to ¥1,960). Regarding the calculations for these share values and as explained to the independent committee by Mizuho Securities, the independent committee did not recognize any particularly unreasonable points. The price on which the Tender Offer Price is based (¥1,860 per common share) exceeds the upper limit of the calculation results based on the market share price method and the comparable company method and is within the range of the calculation results based on the DCF method; (b) The price on which the Tender

Offer Price is based (¥1,860 per common share) represents (x) a premium of 40.70% on ¥1,322, the closing price of the Target Company Shares on the Tokyo Stock Exchange for yesterday, November 21, 2016, a premium of 48.68% on ¥1,251, the one-month average closing price through November 21, 2016, a premium of 81.29% on ¥1,026, the three-month average closing price through November 21, 2016, and a premium of 101.52% on ¥923, the six-month average closing price through November 21, 2016, and (y) a premium of 80.58% on ¥1,030, the closing price of the Target Company Shares on the Tokyo Stock Exchange as of October 27, 2016, which was the business day immediately preceding October 28, 2016, when speculative media reports regarding Nissan's sale of its Target Company Shares were released, a premium of 88.07% on ¥989, the one-month average closing price through October 27, 2016, a premium of 107.36% on ¥897, the three-month average closing price through October 27, 2016, and a premium of 116.03% on ¥861, the six-month average closing price through October 27, 2016; (c) In the event that the Offeror is unable to obtain all of the Target Company Shares though the Tender Offer, the Offeror would plan to follow procedures to either make a demand for the sale of shares or conduct a share consolidation in order to acquire all of the Target Company Shares (except for the treasury shares held by the Target Company), and, in such event, the amount of cash to be delivered to minority shareholders who did not tender their shares in the Tender Offer is expected to be equal to the amount obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each such shareholder, and the foregoing is clearly set forth in press releases by the Offeror and others; (d) With respect to the Transaction, Nissan began bidding procedures with candidates who desired to invest in the Target Company in April 2016, and based on final bids submitted in October 2016, KKR was selected as the final candidate in early November. Under these circumstances, the conditions of the Transaction were decided based on negotiations with an independent third party through a competitive process; and (e) The independent committee did not recognize any circumstances that would indicate any unfairness in the conditions of the Transaction.

(iii) The independent committee recognized the measures taken to avoid conflicts of interest to ensure the fairness of the decision-making of the Target Company's board of directors and determined that it did not recognize any exceptional circumstances that should be deemed inappropriate in the procedures of the negotiating process leading to the Transaction in light of the fact that: (a) among the Target Company's directors, Mr. Hiroshi Moriya, Mr. Seiichi Kakizawa and Mr. Keiichi Murata were originally employed by Nissan, and due to the fact that they have or may have a conflict of interest with the respect to the Tender Offer, the board of directors would issue the first-stage resolution at a meeting with the two of five directors that do not include Mr. Hiroshi Moriya, Mr. Seiichi Kakizawa or Mr. Keiichi Murata (such resolution issued at such initial meeting, the "First-stage Resolution"). Subsequently, in consideration of the quorum required for a resolution of the board of directors in accordance with Article 369 of the Companies Act, all five directors, including Mr. Hiroshi Moriya, Mr. Seiichi Kakizawa and Mr. Keiichi Murata, would consider the matter stated above (the "Second-stage Resolution"). Additionally, Mr. Ichiro Negishi and Mr. Koji Furukawa, who are two of the corporate auditors of the Target Company, were originally employed by Nissan, and in order to avoid any potential conflict of interest regarding the Tender Offer, each of them would refrain from attending the board of directors meeting for the First-stage Resolution; and (b) in order to ensure the transparency and reasonableness of the decision-making process concerning the Transaction, including the Tender Offer, the Target Company had appointed Nagashima Ohno &

Tsunematsu as a legal advisor that is independent from the Target Company and the Offeror and had been receiving necessary legal advice from such law firm concerning the method and process of decision-making regarding the Transaction, including the Tender Offer, and other related matters..

③ The Target Company has obtained the advice of an independent law firm

According to the Target Press Release, in order to ensure the transparency and reasonableness of the decision-making process concerning the Transaction, including the Tender Offer, the Target Company appointed Nagashima Ohno & Tsunematsu as a legal advisor that is independent from the Target Company and the Offeror. The Target Company has been receiving necessary legal advice from such law firm concerning the method and process of decision-making regarding the Transaction, including the Tender Offer, and other related matters.

Nagashima Ohno & Tsunematsu is not a related party of the Target Company or the Offeror and does not have any notable material interest.

④ The Transaction has received the unanimous approval of the directors with no interest in the Target Company and there has been no objection from the Target Company's independent statutory auditors

According to the Target Press Release, the Target Company's board of directors has carefully discussed and examined the terms and conditions of the Transaction from the perspective of the enhancement of enterprise value, taking into consideration the details of the Share Valuation Report and the legal advice from Nagashima Ohno & Tsunematsu, as well as giving serious consideration to the report by the independent committee.

As a result, as set forth in the section entitled "③ The decision-making process and reasons of the Target Company" within "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" above, the Target Company has concluded that the Tender Offer will provide the shareholders of the Target Company with a reasonable opportunity to sell their shares, and the Target Company's board of directors issued a resolution, in its judgment based on present circumstances, supporting the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer.

At the meeting of the board of directors referenced above, in order to avoid any conflict of interest based on the fact that Mr. Hiroshi Moriya, Mr. Seiichi Kakizawa and Mr. Keiichi Murata were originally employed by Nissan, the Target Company's board of directors unanimously resolved at an earlier board of directors meeting to initially express the abovementioned First-stage Resolution with only two out of the five directors of the Target Company considering the matter (i.e., excluding Mr. Hiroshi Moriya, Mr. Seiichi Kakizawa and Mr. Keiichi Murata) (such resolution issued at such initial meeting, the "First-stage Resolution"). Subsequently, in consideration of the quorum required for a resolution of the board of directors in accordance with Article 369 of the Companies Act, all five directors, including Mr. Hiroshi Moriya, Mr. Seiichi Kakizawa and Mr. Keiichi Murata, considered the matter and unanimously resolved to express the abovementioned Second-stage Resolution.

Additionally, Mr. Ichiro Negishi and Mr. Koji Furukawa, who are two of the corporate auditors of the Target Company, were originally employed by Nissan, and in order to avoid any conflict of interest regarding the Tender Offer, each of them refrained from attending the board of directors meeting for the First-stage Resolution. Each of Mr. Tsunenari Adachi and Mr. Hirotsugu Umeki, the two corporate auditors who attended the board of directors meeting for the First-stage Resolution, has stated that he had no objections to the First-stage Resolution. All four auditors attended the board meeting for the Second-stage Resolution, and each has stated that he has no objections to the Second-stage Resolution.

⑤ Measures to ensure tender opportunities from other tender offerors

No agreement between the Offeror and the Target Company has been executed which includes deal protection provisions to prohibit the Target Company from having contact with a competing offeror or which otherwise limits the opportunity for a competing offeror to have contact with the Target Company.

In addition, while the Offeror intends for the period of the Tender Offer (the "Tender Offer Period") to be set at 20 business days, which is comparatively short, the Offeror intends to begin the Tender Offer during late February 2017. We believe that the long period prior to the commencement of the Tender Offer provides each shareholder of the Target Company with an appropriate opportunity to consider whether to tender its shares in the Tender Offer and ensures that a potential purchaser other than the Offeror would have an opportunity to make a competing tender offer for the the Target Company Shares. Also, as stated in the section titled "② Discussions between the Offeror, the Target Company and Nissan, and the decision-making process of the Offeror," within "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer," within "1. Purpose of the Tender Offer," KKR was selected as the final tender candidate from among a number of candidates in a competitive bidding process with respect to the transfer of its Target Company Shares conducted by Nissan and in which a number of candidates were invited to participate. Therefore, there has already been sufficient opportunity for a purchaser other than the Offeror to make a tender offer for the Target Company Shares.

(4) Policy for organizational restructuring after the Tender Offer (matters relating to the "Two-Step Acquisition")

As stated in "1. Purpose of the Tender Offer," the objective of the Tender Offer is for the Target Company to become a wholly-owned subsidiary of the Offeror, and, in the event that the Offeror is unable to obtain all of the Target Company Shares though the Tender Offer, then, after the successful completion of the Tender Offer, the Offeror intends to take the following actions to obtain all of the Target Company Shares (except for the treasury shares held by the Target Company).

Specifically, if the Offeror holds at least 90% of the total voting rights in the Target Company after the successful completion of the Tender Offer and has become a special controlling shareholder of the Target Company as stipulated in Article 179, Item 1 of the Companies Act (Act No. 86 of 2005, as amended) (the "Companies Act"), the Offeror intends, promptly following the settlement of the Tender Offer, to require all shareholders of the Target Company (excluding the Offeror and the Target Company) to sell their Target Company Shares to the Offeror (the "Demand for the Sale of Shares"), as stipulated in Part II, Chapter 2, Section 4-2 of the Companies Act.

In the event of a Demand for the Sale of Shares, each of the Target Company Shares held by each shareholder of the Target Company (excluding the Offeror and the Target Company) will be exchanged for cash consideration equal to the Tender Offer Price. In such an event, the Offeror will notify the Target Company of the Demand for the Sale of Shares and seek the Target Company's approval thereof. If the Target Company approves the Demand for the Sale of Shares by a resolution of the board of directors, then, in accordance with the requirements of applicable law and without the consent of the individual shareholders of the Target Company, on the day stipulated by the Demand for the Sale of Shares, the Offeror will acquire all Target Company Shares held by shareholders of the Target Company (excluding the Offeror and the Target Company) in exchange for an amount of cash consideration per share equal to the Tender Offer Price. In addition, according to the Target Company Release, if the Target Company receives a Demand for the Sale of Shares from the Offeror pursuant to Paragraph 1 of Article 179-2 of the Companies Act, the Target Company's board of directors intends to approve the Demand for the Sale of Shares.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders, including Article 179-8 of the Companies Act and other applicable laws, in the event of a Demand for the Sale of Shares, shareholders of the Target Company that did not tender into the Tender Offer will be able to file a petition with the court for a determination of the sale price for their Target Company Shares. In such a case, the purchase price will be finally determined by the court.

Alternatively, if the Offeror holds less than 90% of the total voting rights in the Target Company after the successful completion of the Tender Offer, the Offeror intends to seek to conduct a consolidation of the Target Company Shares (the "Share Consolidation"). As a condition to the Share Consolidation's effectiveness, the Target Company will request that an Extraordinary Shareholders' Meeting (the "Extraordinary Shareholders' Meeting") be held promptly following the settlement of the Tender Offer. At such meeting, the agenda will include a proposal for an amendment to the Target Company's articles of incorporation that would abolish the share unit number provisions, and the Offeror intends to approve such proposal.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Target Company will, on the effective date of the Share Consolidation, hold the number of Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting. If, due to the Share Consolidation, the number is a fraction less than one, each shareholder of the Target Company will receive an amount of cash obtained by selling the Target Company Shares equivalent to the total number of such fractional shares (with such aggregate sum rounded down to the nearest whole number) to the Offeror or the Target Company as per the procedures specified in Article 235 of the Companies Act and other applicable laws. Regarding the purchase price for the aggregate sum of such fractional shares in the Target Company, it is intended that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Offeror and the Target Company) would be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each such shareholder. The Target Company will request permission from the court to authorize the purchase of such Target Company Shares on this basis.

Although the ratio of the Share Consolidation of the Target Company Shares has not been determined as of the date hereof, it is intended that shareholders (excluding the Offeror and the Target Company) who held shares in the

Target Company and did not tender in the Tender Offer would have their shares classified as fractional shares in order for the Offeror to become the sole owner of all of the Target Company Shares (excluding treasury shares held by the Target Company).

In the interest of protecting the rights of minority shareholders in circumstances involving a share consolidation, the Companies Act provides that if a share consolidation occurs and there are fractional shares as a result, each shareholder may request that the Target Company purchase all such fractional shares at a fair price, and such shareholders may file a petition to the court to determine the price of the Target Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations. As stated above, it is intended that any shareholders of the Target Company who do not tender their Target Company Shares in the Tender Offer (excluding the Offeror and the Target Company) and hold fractional shares will, as stipulated in Article 182-4 and Article 182-5 of the Companies Act and other related laws and regulations, be able to receive an amount of cash consideration per share equal to the Tender Offer Price. In the event that holders of fractional shares file a petition with the court, the acquisition price will be finally determined by the court.

With regard to the above procedure, it is possible that, depending on amendments to the relevant laws and regulations, the interpretation of the relevant laws and regulations by authorities, the shareholding percentage of the Offeror after the Tender Offer and the ownership of Target Company Shares by shareholders other than the Offeror, more time may be required or alternative methods may be utilized to implement the Transaction.

However, even in such a case, we intend to use a method whereby the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company) will ultimately receive cash consideration equal to the number of Target Company Shares held by such shareholder multiplied by the Tender Offer Price in exchange for their shares. In such a case, the Target Company will announce specific details and expected timing promptly once determined.

We further note that shareholders of the Target Company will not be solicited to agree to the Tender Offer at the Extraordinary Shareholders' Meeting. All shareholders of the Target Company are solely responsible for seeking their own specialist tax advice with regard to the tax consequences of tendering into the Tender Offer or participating in the procedures outlined above.

(5) Expected delisting and reasons therefor

The Target Company Shares are currently listed on the First Section of the Tokyo Stock Exchange. However, since the Offeror has not set a maximum limit on the number of shares to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange, depending on the results of the Tender Offer.

Also, even in the event that the delisting standards are not met upon completion of the Tender Offer, the Offeror intends to acquire all issued and outstanding Target Company Shares (except for the treasury shares held by the Target Company) as stated above in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to the 'Two-Step Acquisition')" after the successful completion of the Tender Offer, in which case the Target Company

Shares will be delisted through the prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange. After delisting, the Target Company Shares will no longer be traded on the First Section of the Tokyo Stock Exchange.

(6) Material agreements regarding the Tender Offer

As of today, the Offeror and Nissan have entered into the Tender Agreement regarding the tender of all Target Company Shares held by Nissan (111,163,990 shares, ownership percentage of 41.50%) in the Tender Offer.

In the Tender Agreement, the Offeror and Nissan have agreed that the Target Company will undertake the procedures referenced in the section titled "(3) Tender Offer Price" within "2. Outline of the Tender Offer" below and have received its confirmation of its agreement to approve a resolution to issue the Special Dividend, conditional upon the success of the Tender Offer. In the event the Target Company passes the resolution to issue the Special Dividend, then the amount of the Special Dividend will be deducted from the price on which the Tender Offer Price is based (¥1,860 per share).

Additionally, pursuant to the Tender Agreement, the following conditions precedent apply to Nissan's obligation to tender into the Tender Offer: ① the Tender Offer has been commenced and has not been withdrawn; ② the Offeror has received the necessary approvals and completed the procedures required by competition authorities and other related laws and regulations of various countries, including the laws of Japan, the United States of America, the People's Republic of China, the European Union and Russia, including the expiration of applicable waiting periods; ③ the Target Company has obtained an opinion from those who do not have any interest in the Target Company, Nissan or the Offeror to the effect that the resolution of the board of directors of the Target Company approving the Transaction would not be disadvantageous to the minority shareholders; ④ at a meeting of the board of directors of the Target Company with the affirmative vote of all directors present (excluding any directors who have or would have an interest in the Transaction), the board of directors has adopted a resolution, which has not been withdrawn or amended, to express an option to support the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer; ⑤ the Offeror's representations and warranties (see Note 2) under the Tender Agreement must be true and correct in all material respects; ⑥ the Offeror has duly performed in all material respects all of its obligations, agreements and covenants to be performance or complied with under the Tender Agreement on or prior to the applicable date; and ⑦ no restraining order, injunction or other order preventing or suspending the Tender Offer is in effect or has been threatened in writing. In the event that one or more of these conditions precedent is not satisfied, the Tender Offeror may, in its discretion, elect to waive such condition, in whole or in part, and proceed to tender into the Tender Offer.

Note 2: The Offeror's representations and warranties under the Tender Agreement address the following matters: (i) due and valid existence and establishment of the Offeror; (ii) authority to execute the Tender Agreement and completion of all necessary procedures; (iii) validity and enforceability of the Tender Agreement; (iv) absence of conflict with applicable law; (v) absence of orders preventing the consummation of the Transaction; (vi) absence of knowledge of material facts (*jyuuyou jijitsu*) regarding the Target Company group; and (vii) matters regarding the financing for the Transaction. Nissan's representations and warranties under the Tender Agreement address the following matters: (i) due and valid existence and establishment of Nissan; (ii) authority to execute the Tender Agreement and completion of all necessary procedures; (iii) validity and enforceability of the Tender Agreement; (iv) absence of conflict with applicable law; (v) absence of orders preventing the consummation of the Transaction; (vi) absence of knowledge of material facts (*jyuuyou jijitsu*) regarding the Target Company group; and (vii) matters regarding the authorized capital stock and the issued and outstanding shares of the Target Company.

2. <u>Outline of the Tender Offer</u>

(1) <u>Outline of the Target Company</u>

(1) Name	Calsonic Kansei Corporation
(2) Address	2-1917 Nisshin-cho, Kita-ku, Saitama-city, Saitama
(3) Name and Title of Representative Director	President, CEO and Representative Director Hiroshi Moriya
(4) Businesses	Air Conditioning Units, ITS/Electronic Systems, Interiors, Instruments/Gauges, Heat Exchangers, Exhaust Systems, Manufacture and Sale of Automotive Parts
(5) Capital	¥41,456,000,000 (as of September 30, 2016)
(6) Date of Foundation	August 25, 1938
(7) Major Shareholders and Ownership Percentage, as of September 30, 2016 (See Note 1)	• Nissan Motor Co., Ltd. – 40.68% • The Master Trust Bank of Japan, Ltd. (Trust Account) – 3.76% • Japan Trustee Services Bank, Ltd. (Trust Account) – 3.72% • National Mutual Insurance Federation of Agricultural Cooperatives – 2.67% • Mizuho Trust & Banking Co., Ltd., Retirement Benefits Trust, Mizuho Bank's Account, Re-Trust Trustees, Trust & Custody Services Bank, Ltd. – 2.04% • Nippon Life Insurance Company – 2.00% • Goldman Sachs & Co., Regular Account (Proxy Account: Goldman Sachs Securities Co., Ltd.) – 1.61% • CBNY – Government of Norway (Proxy Account: Citibank Japan Ltd.) – 1.57% • Japan Trustee Services Bank, Ltd. (Trust Account 9) – 1.52% • Goldman Sachs International (Proxy Account: Goldman Sachs Securities Co., Ltd.) – 1.19%

(8)	Relationships Between the Offeror and the Target Company	
	Capital Relationships	None applicable
	Personal Relationships	None applicable
	Business Relationships	None applicable
	Related Party Relationships	None applicable

(Note 1) The ownership percentages listed in "Major Shareholders and Ownership Percentage, as of September 30, 2016" are the ownership percentages calculated by dividing the shares owned by the total number of issued and outstanding Target Company Shares (rounded to the second decimal place).

(2) Schedule

The Tender Offer will be conducted following the fulfillment (or waiver by the Offeror) of the Conditions Precedent to the Tender Offer. We plan to commence the Tender Offer promptly following the satisfaction of the Conditions Precedent to the Tender Offer and we presently anticipate commencing the Tender Offer during late February 2017. However, because it is difficult to provide an accurate estimate of the amount of time that will be required for the foreign and domestic competition authorities to complete their review procedures, we will announce the precise schedule for the Tender Offer promptly after it has been determined.

(3) Tender Offer Price

The price per common share will be ¥1,860, minus the per-share amount of the Special Dividend, if declared. However, if the Target Company has not passed a resolution prior to commencement of the Tender Offer to issue the Special Dividend, then the price per common share will be ¥1,860.

According to the Target Press Release, as of today, the per-share amount of the Special Dividend is expected to be approximately ¥570 (provided that ¥570 is the maximum amount). However, as described below, the final amount of the Special Dividend will be determined based on (i) the procedures to decrease the amount of the Target Company's capital, capital reserves and retained earnings reserves contingent upon the successful completion of the Tender Offer, (ii) the procedures for the settlement of accounts (and the preparation and approval of provisional financial statements), and (iii) other calculations and confirmations necessary to finalize the funds available for purposes of the Special Dividend.

Regarding the Special Dividend

As described above in the section titled "(1) Summary of the Tender Offer" under "1. Purposes of the Tender Offer," in light of the proposal from the Offeror, the Target Company, as part of the Transaction, plans to issue the Special Dividend with a record date on the calendar day prior to the Tender Offer Commencement Date. In order to pay the Special Dividend, the Target Company plans to conduct the following procedures:

① Around the end of January 2017, the Target Company will hold an extraordinary general shareholders' meeting (the "Special Dividend Extraordinary Shareholders' Meeting") to which the following proposals will be submitted: (i) an amendment of the Target Company's articles of incorporation in order to change the decision-making authority with respect to the distribution of surplus from the general shareholders' meeting to the board of directors, and (ii) a decrease in the amounts of capital, capital reserves and retained earnings reserves, which would be conditional on completion of the Tender Offer. In a board meeting held today, the Target Company has resolved to set the record date for the Special Dividend Extraordinary Shareholders' Meeting at December 9, 2016 (for details, see the Target Company's release, dated as of today, "Notice regarding Establishment of Record Date for the Extraordinary Shareholders' Meeting");

② After CKK Corporation and CalsonicKansei North America, Inc., which are wholly-owned subsidiaries of the Target Company, make distributions of surplus to the Target Company, the Target Company will conduct a provisional settlement of accounts as of December 31, 2016 (preparation and approval of provisional financial statements);

③ The board of directors of the Target Company will adopt a resolution to set the Special Dividend Record Date on the calendar day prior to the commencement date of the Tender Offer, with the expectation that the Special Dividend Record Date will follow the date of the Special Dividend Extraordinary Shareholders' Meeting; and

④ Subject to the approval of the proposal regarding an amendment to the articles of incorporation at the Special Dividend Extraordinary Shareholders' Meeting, the board of directors of the Target Company will issue a resolution that the Special Dividend be made on the condition that the Tender Offer is successfully completed.

As stated above in the section titled "(1) Summary of the Tender Offer" under "1. Purposes of the Tender Offer," in the event the Special Dividend is declared prior to the Tender Offer commencement date, then, following the successful completion of the Tender Offer, shareholders on the Special Dividend Record Date that tender their shares in the Tender Offer will receive cash consideration of ¥1,860 yen per share (before any withholding tax deduction), because such shareholders will receive the Special Dividend, *plus* the Tender Offer Price (as such Tender Offer Price will have been reduced by the deduction of the Special Dividend). On the other hand, shareholders who acquire Target Company Shares after the Special Dividend Record Date will not receive the Special Dividend.

In a board meeting held today, the Target Company has resolved not to declare a dividend for the fiscal year ending March 31, 2017 (for details, see the Target Company's release, dated as of today, "Notice regarding Amendment to the Dividend Forecast for the Fiscal Year Ending March 31, 2017 (116th Fiscal Period)").

(4) <u>Basis for the Calculation of the Tender Offer Price</u>

① <u>Calculation Methodology</u>

In determining the price on which the Tender Offer Price ia based (¥1,860 per common share), the Offeror conducted a comprehensive and multifaceted analysis of the Target Company's business and financial status based on the Target Company's disclosed financial information and the results of due diligence conducted with respect to the

Target Company. In light of the fact that the Target Company Shares are traded on a financial instruments exchange, the Offeror also referred to (i) the closing price (¥1,030) of the Target Company Shares on the Tokyo Stock Exchange as of October 27, 2016, which was the business day immediately preceding October 28, 2016 when the Target Company's stock price increased significantly due to media speculation regarding Nissan's sale of its Target Company Shares, and (ii) the average closing prices of the Target Company Shares during the one-month, three-month and six-month periods prior to October 28, 2016 (¥989, ¥897 and ¥861, respectively). By also comprehensively taking into consideration the likelihood of obtaining the Target Company's endorsement of the Tender Offer and the prospects for successful completion of the Tender Offer, and upon consultation and negotiations with Nissan, the Offeror determined the Tender Offer Price of ¥1,860 per common share (minus the amount of the Special Dividend, if issued) on the date hereof. As the Offeror has determined the Tender Offer Price by comprehensively taking into consideration the factors described above as well as its consultation and negotiations with Nissan, the Offeror has not obtained a share valuation report from any third-party appraiser.

The price on which the Tender Offer Price is based (¥1,860 per common share) represents (i) a premium of 40.70% on ¥1,322, the closing price of the Target Company Shares on the Tokyo Stock Exchange for yesterday, November 21, 2016, the business day immediately preceding the date of the public announcement of the Tender Offer, (ii) a premium of 48.68% on ¥1,251, the one-month average closing price through November 21, 2016, (iii) a premium of 81.29% on ¥1,026, the three-month average closing price through November 21, 2016, and (iv) a premium of 101.52% on ¥923, the six-month average closing price through November 21, 2016.

The price on which the Tender Offer Price is based (¥1,860 per common share) also represents (i) a premium of 80.58% on ¥1,030, the closing price of the Target Company Shares on the Tokyo Stock Exchange as of October 27, 2016, which was the business day immediately preceding October 28, 2016, when the Target Company's stock price increased significantly due to media speculation regarding Nissan's sale of its Target Company Shares, (ii) a premium of 88.07% on ¥989, the one-month average closing price through October 27, 2016, (iii) a premium of 107.36% on ¥897, the three-month average closing price through October 27, 2016, and (iv) a premium of 116.03% on ¥861, the six-month average closing price through October 27, 2016.

② Background of the Calculation

As stated above in the section titled "② Discussions between the Offeror, the Target Company and Nissan, and the decision-making process of the Offeror," within "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer," within "1. Purpose of the Tender Offer," Nissan began looking for a new partner for the Target Company, and KKR participated in the bidding process when Nissan consulted with a number of companies in April 2016 regarding the sale of Nissan's Target Company Shares. After the submission of KKR's first bid, during the second round of the auction process and starting in July 2016, KKR conducted due diligence on the Target Company's business, finances and legal matters, interviewed the Target Company's management and conducted further analysis regarding the acquisition of the Target Company Shares. Based on this analysis, KKR submitted a final offer of terms and conditions, including the Tender Offer Price, and was selected by Nissan as the final Tender Offer candidate in early November 2016.

After KKR's selection, KKR and Nissan proceeded with discussions and negotiations regarding the terms and conditions of the Transaction, including the Tender Offer Price. Concurrently, KKR began to explain the terms and conditions of its proposal to the independent committee established by the Target Company (please refer to the below section titled "② The Target Company has established an independent committee to provide an opinion regarding the Transaction" within "(3) Measures to ensure the fairness of the tender offer price and avoid conflicts of interest, and other measures to ensure the fairness of the tender offer"), and entered into discussions and negotiations that included Nissan with the Target Company. As a result, the Offeror, the Target Company and Nissan came to an agreement regarding the terms and conditions of the Transaction, and the Offeror and Nissan today entered into the Tender Agreement, pursuant to which the Offeror will carry out a Tender Offer for all of the Target Company Shares into which Nissan will tender all of its Target Company Shares, and the Tender Offer Price of ¥1,860 per common share (minus the amount of the Special Dividend, if issued) has been decided as of today.

③ Relationships with Appraisers

As the Offeror did not obtain valuation reports from third party appraisers when determining the price on which the Tender Offer Price is based (¥1,860 per common share), this matter is not applicable.

(5) Number of Shares to be Purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
267,882,277 (Shares)	178,588,185 (Shares)	- (Shares)

(Note 1) If the total number of Tendered Shares is less 178,588,185 shares, then the Offeror will not purchase any of the Tendered Shares and the Tender Offer will not be consummated. If the total number of Tendered Shares exceeds the minimum threshold of 178,588,185 shares, the Offeror will purchase all of the Tendered Shares.

(Note 2) There is no plan to acquire the treasury shares of the Target Company through the Tender Offer.

(Note 3) The maximum number of shares that can be acquired by the Offeror in the Tender Offer is 267,882,277 Shares. This figure represents (i) the total number of issued shares (273,241,631 shares) as of September 30, 2016, as stated in the 116th Fiscal Period Second Quarter Securities Report, *minus* (ii) the 5,359,354 treasury shares held by the Target Company as of September 30, 2016, as stated in the FY2016 Second Quarter Financial Results. In addition, the figures listed above are provisional figures based on information presently available, and it is possible that changes hereafter to such information may cause the actual number of shares to be purchased in the Tender Offer to differ from the figures listed above.

(Note 4) The Tender Offer also applies to fractional units of shares. If the right to request a sale of fractional shares is utilized pursuant to the Companies Act, the Target Company may purchase such fractional shares during the Tender Offer Period in accordance with applicable legal procedures.

(6) Changes to share ownership ratios due to the tender offer

Number of voting rights represented by shares held by the Offeror prior to the tender offer	-	Ownership ratio prior to the tender offer: -%
Number of voting rights represented by shares held by special related parties prior to the tender offer	To be determined	Ownership ratio prior to the tender offer: To be determined
Number of voting rights represented by shares held by the Offeror after the tender offer	267,882	Ownership ratio after the tender offer: 100%
Number of voting rights represented by shares held by special related parties after the tender offer	-	Ownership ratio after the tender offer: -%
Total number of Target Company voting rights	267,272	

(Note1) The "Number of voting rights represented by shares held by special related parties prior to the tender offer" and the corresponding "Ownership ratio prior to the tender offer" have not yet been determined, but will be investigated and disclosed prior to the commencement of the Tender Offer. Also, as the shares with voting rights held by special related parties (excluding treasury shares held by the Target Company) will also be subject to the Tender Offer, the "Number of voting rights represented by shares held by special related parties after the tender offer" will be "-".

(Note 2) The "Number of voting rights represented by shares held by the Offeror after the tender offer" is the number of voting rights associated with the 267,882,277 shares to be purchased in the Tender Offer.

(Note 3) The "Total number of Target Company voting rights" is the total number of voting rights as of September 30, 2016 as stated in the 116th Fiscal Period Second Quarter Securities Report. However, because all Target Company Shares including fractional shares (but excluding treasury shares held by the Target Company) will be subject to the tender offer, for the purpose of calculating the ownership ratios before and after the tender offer, the number of voting rights (267,882) associated with the Tender Target Shares (267,882,277) has been used as the denominator.

(7) Purchase Price of ¥498,261,000,000 (Anticipated)

The "Purchase Price" has been calculated by multiplying the total number of shares to be purchased in the Tender Offer (267,882,277 shares) by the price on which the Tender Offer Price is based (¥1,860 per common share). However, as stated above in "(3) Tender Offer Price," if the Target Company has passed a resolution prior to the commencement of the Tender Offer approving the issuance of the Special Dividend, then the Special Dividend will be subtracted from the price on which the Tender Offer Price is based (¥1,860 per common share), and the Purchase Price will be ¥1,860 per common share, *minus* the amount of the Special Dividend, *multiplied* by the number of shares to be purchased in the Tender Offer (267,882,277 shares).

(8) Settlement method and date of public notice regarding commencement of the tender offer

The tender offer settlement method, the date of public notice regarding commencement of the tender offer and any other related information not contained below in "(9) Other purchase conditions and methods" will be announced promptly once determined.

(9) Other purchase conditions and methods

① Information regarding the conditions set forth in Article 27-13, Paragraph 4 of the Companies Act

If the total number of Tendered Shares is less than the minimum (178,588,185 shares), then none of the Tendered Shares will be purchased. If the total number of Tendered Shares is greater than the minimum (178,588,185 shares), then all of the Tendered Shares will be purchased.

② Other

This press release has been prepared for the purpose of informing the public of the tender offer and has not been prepared for the purpose of soliciting an offer to sell, or making an offer to purchase, any securities. If shareholders wish to make an offer to sell their shares in the tender offer, they should first read the Tender Offer Explanation Statement for the tender offer and offer their shares or stock options for sale at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or a solicitation of an offer to sell or purchase, any securities, and neither this press release (or a part thereof) nor 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.

The tender offer will be conducted in accordance with the procedures and information disclosure standards prescribed by Japanese law, which may differ from the procedures and information disclosure standards in the United States. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 and the rules prescribed thereunder do not apply to the tender offer, and the tender offer does not conform to those procedures and standards.

Unless otherwise specified, all procedures relating to the tender offer are to be conducted entirely in Japanese. If all or any part of a document relating to the tender offer is prepared in the English language and there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation will prevail.

The financial advisors to the Offeror, the Target Company and Nissan as well as the tender offer agent (including their respective affiliates) may engage prior to the commencement of, or during, the tender offer period in the purchase or arrangement to purchase shares of the Company for their own account or for their customers' accounts to the extent permitted under the Japanese Financial Instruments and Exchange Act, Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, as amended, and other applicable laws and regulations. Such purchases may be made at the market price through market transactions, or at a price determined by negotiation outside of the market. In the event information regarding such purchases is disclosed in Japan, such information will also be disclosed on the English homepage of the financial advisor or tender offer agent conducting such purchases or will otherwise be made publicly available.

(10) Representative of the Offeror

SMBC Nikko Securities Inc.

3-3-1 Marunouchi, Chiyoda-ku, Tokyo

3. Post-tender offer policy and future outlook

Please refer to the sections titled "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer," "(4) Policy for organizational restructuring after the Tender Offer (matters relating to the 'Two-Step Acquisition')," and "(5) Expected delisting and reasons therefor" within "1. Purpose of the Tender Offer."

4. Other

(1) Details regarding agreements between the Offeror and the Target Company and their respective officers

① Details regarding existence and content of agreements between the Offeror and the Target Company or their respective management

According to the Target Press Release, at a meeting held today, the Target Company's board of directors issued a resolution to the effect that the Tender Offer represents a reasonable sale opportunity, in its opinion based on present circumstances, the Target Company intends to issue an opinion supporting the Tender Offer, and the Target Company board recommends that the shareholders of the Target Company tender their shares in the Tender Offer once it has been commenced. The Tender Offer is expected to commence promptly following the satisfaction of the Conditions Precedent to the Tender Offer (or waiver thereof by the Offeror). Presently, it is expected that the Tender Offer will commence during late February 2017, but it is not possible to generate an accurate prediction of the amount of time the foreign and domestic competition authorities will require for their review, the Target Company's board of directors has decided to re-issue its opinion concerning the Tender Offer upon commencement of the Tender Offer, based on consultation with the independent committee established by the Target Company. For this purpose, the independent committee will examine whether there have been any changes that would affect the resolution of the board of directors issued today and will inform the board of directors of its opinion. For additional details, see the section titled "② The Target Company has established an independent committee to provide an opinion regarding the Transaction" under "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" under "1. Purposes of the Tender Offer."

For details of the resolution of the Target Company's board of directors discussed above, please refer to the Target Press Release as well as the section titled "④ The Transaction has received the unanimous approval of the directors with no interest in the Target Company and there has been no objection from the Target Company's independent statutory auditors" under "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer."

② <u>Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer</u>

Please refer to the section titled "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" within "1. Purpose of the Tender Offer."

③ <u>Measures to ensure the fairness of the tender offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the tender offer</u>

Please refer to the section titled "(3) Measures to ensure the fairness of the tender offer price and avoid conflicts of interest, and other measures to ensure the fairness of the tender offer" within "1. Purpose of the Tender Offer."

(2) <u>Other information considered necessary for investors to decide whether to tender into the tender offer</u>

① <u>Establishment of record date for the Special Dividend Extraordinary Shareholders' Meeting</u>

In a board meeting held today, the Target Company has resolved to set the record date for the Special Dividend Extraordinary Shareholders' Meeting at December 9, 2016 (for details, see the Target Company's release, dated as of today, "Notice regarding Establishment of Record Date for the Extraordinary Shareholders' Meeting").

② <u>Amendment to the Dividend Forecast for the Fiscal Year Ending March 31, 2017 (116th Fiscal Period)</u>

In a board meeting held today, the Target Company has resolved not to declare a dividend for the fiscal year ending March 31, 2017 (for details, see the Target Company's release, dated as of today, "Notice regarding Amendment to the Dividend Forecast for the Fiscal Year Ending March 31, 2017 (116th Fiscal Period)").

KKR's financial advisor is Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and KKR's legal advisors are Mori Hamada & Matsumoto and Simpson Thacher & Bartlett LLP.