July 13, 2018

To Whom It May Concern

Company Name:	FamilyMart UNY Holdings Co., Ltd.
	(Code No. 8028; First sections of Tokyo Stock Exchange and Nagoya Stock Exchange)
Name of Representative:	Koji Takayanagi, Representative Director and President

Announcement of Expression of Opinion regarding Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by ITOCHU RETAIL INVESTMENT, LLC, a Wholly Owned Subsidiary of ITOCHU Corporation

FamilyMart UNY Holdings Co., Ltd. (the “**Company**”) has previously announced, with respect to a tender offer for the Company’s shares of common stock (the “**Tender Offer**”; those shares; the “**Company’s Shares**”) by a wholly owned subsidiary of ITOCHU Corporation (“**ITOCHU**”) that is outlined in the press release dated April 19, 2018 entitled “Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation,” that the Company’s opinion as of the same date was to support the Tender Offer if the Tender Offer commences, and to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Company’s Shares will remain listed even after the Tender Offer.

According to the press release dated today entitled “Announcement in Relation to Commencement of Tender Offer for Shares in FamilyMart UNY Holdings Co., Ltd. (Code No. 8028)” announced by ITOCHU and its wholly owned subsidiary ITOCHU RETAIL INVESTMENT, LLC (whose head office is in Minato-ku, Tokyo and whose executor is Kensuke Hosomi) (the “**Tender Offeror**”), the Tender Offeror has decided to commence the Tender Offer from July 17, 2018, and the Company announces as follows that, as a result of further deliberation of the Tender Offer, it once again made a resolution by its board of directors dated today to support the Tender Offer and to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Company’s Shares will remain listed even after the Tender Offer.

1. Outline of the Tender Offeror

(1)	Name	ITOCHU RETAIL INVESTMENT, LLC
(2)	Location	2-5-1 Kita-Aoyama, Minato-ku, Tokyo
(3)	Name and title of representative	Executor: Kensuke Hosomi
(4)	Description of business activities	Acquisition and holding of share certificates, etc. of the Company
(5)	Capital	1,000,000 yen (as of July 13, 2018)
(6)	Date of establishment	June 1, 2018
(7)	Major shareholders and ownership percentages	ITOCHU Corporation 100%
(8)	Relationships between the Company and the Tender Offeror	
	Capital relationship	Nothing applicable. However, as of today, the Tender Offeror's wholly owning parent company ITOCHU holds 52,507,296 shares of the Company's Shares (Ownership Ratio (*): 41.50% (rounded to two decimal places; the same applies for all percentage calculations below)).
	Personnel relationship	Nothing applicable. However, five of the Company's directors and one of the Company's corporate auditors are originally from the Tender Offeror's wholly owning parent company ITOCHU. As of today, 40 ITOCHU employees are on secondment to the Company Group (as defined below).
	Business relationship	Nothing applicable. However, trade related to sale of products and the like exists between the Tender Offeror's wholly owning parent company ITOCHU and the Company Group.
	Status as related parties	Nothing applicable. However, the Company is an equity-method affiliate of the Tender Offeror's wholly owning parent company ITOCHU and falls under a related party of ITOCHU.

(Note *) The "**Ownership Ratio**" means the ratio of the relevant Company's Shares to the number of shares (126,532,743 shares) remaining after subtracting the number of treasury shares (179,570 shares) held by the Company as of May 31, 2018, from the total number of issued shares of the Company (126,712,313 shares) as of the same date, both of which are disclosed in the "Summary of Consolidated Financial Results (IFRS) for the First Quarter of the Fiscal Year Ending February 2019" released by the Company on July 12, 2018 (the "**Company's Summary of First Quarter Financial Results**").

2. Tender Offer Price

11,000 yen per common share

3. Details of, and Basis and Reasons for, Opinion Regarding the Tender Offer

(1) Details of Opinion Regarding the Tender Offer

The Company made a resolution by a unanimous vote at its board of directors meeting held on April 19, 2018 to express, based on the basis and reasons provided for in "(2) Basis and Reasons for Opinion Regarding the Tender Offer" below, its opinion as of the same date to the effect that it will support the Tender Offer if the Tender Offer is commenced, on the condition that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and any applicable waiting periods thereunder have expired, and that the tender offer price for the Tender Offer (the "**Tender Offer Price**") is reasonable in light of the content of an analysis report regarding the equity value of the Company's Shares, in the case where the Company obtains such analysis report after the publication of the Company's press release dated April 19, 2018 entitled "Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation" in addition to the analysis report regarding the equity value of the Company's Shares obtained by the Company from SMBC Nikko Securities Inc. ("**SMBC Nikko Securities**") on April 18, 2018 in association with the Tender Offer (the "**Analysis Report Dated April 18, 2018**"). In addition, the Company resolved at the same board of directors meeting that decisions by the shareholders regarding whether to tender their shares in the Tender Offer would be left to the discretion of the Company's shareholders, because the Company's Shares will remain listed even after the Tender Offer.

As a result of further deliberation of the Tender Offer, the Company once again made a resolution by its board of directors dated today (a) to support the Tender Offer, because it can be asserted that the aforementioned conditions required for that support have been satisfied, and the Company has concluded that no factors have changed its judgment on the Tender Offer, even in light of changes in the market environment and other factors since the meeting of its board of directors held on April 19, 2018 and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Company's Shares will remain listed even after the Tender Offer.

For details on the decision-making process of the Company's board of directors, please refer to "(iv) The Company's Decision-Making Process Leading to, and Reasons for, Supporting the Tender Offer" in "(2) Basis and Reasons for Opinion Regarding the Tender Offer" and "(iii) Approval of All Directors and Non-objection of All Corporate Auditors of the Company" in "(6) The Company's Measures to Ensure the Fairness of the Tender Offer and to Avoid Conflicts of Interest" below.

(2) Basis and Reasons for Opinion Regarding the Tender Offer

Statements regarding ITOCHU that are made among the basis and reasons for opinion regarding the Tender Offer are based on explanations received from ITOCHU.

(i) Outline of the Tender Offer

The Tender Offeror is a *godo kaisha* (limited liability company) established on June 1, 2018 primarily for the purpose of acquiring and holding the share certificates, etc. of the Company, and, as of today, ITOCHU holds a 100% stake in the Tender Offeror. As of today, the Tender Offeror does not hold any of the Company's Shares, which are listed on the First Section of the Tokyo Stock Exchange ("**TSE First Section**") and the First Section of the Nagoya Stock Exchange ("**NSE First Section**"); however, as of today, the Tender Offeror's wholly owning parent company ITOCHU holds 52,507,296 shares of the Company's Shares (Ownership Ratio: 41.50%), and the Company is an equity-method affiliate of ITOCHU.

As announced by the Tender Offeror's wholly owning parent company ITOCHU in its press release dated April 19, 2018 entitled "Announcement in Relation to Commencement of Tender Offer for Shares in FamilyMart UNY Holdings Co., Ltd. (Code No. 8028)," ITOCHU made a resolution at its board of directors meeting held on April 19, 2018 to have a wholly owned subsidiary of ITOCHU commence the Tender Offer for the Company's Shares, for the purpose of making the Company a consolidated subsidiary of ITOCHU, stating the following as conditions of commencement of the Tender Offer: (i) the Company's board of directors has made a resolution declaring its opinion supporting the Tender Offer, and no resolution to withdraw such resolution or in contradiction to such resolution has been made; (ii) the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and any applicable waiting periods thereunder have expired; (iii) no actions, suits or proceedings seeking prohibition or restriction of the commencement of the Tender Offer are pending with a judicial or administrative agency, etc., and there is no determination, etc. made by a judicial or administrative agency prohibiting or restricting, etc. the commencement of the Tender Offer; (iv) there are no unannounced material facts (as stipulated in Article 166, paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "**Act**")) and no facts relating to a tender offer (as stipulated in Article 167, paragraph 2 of the Act) concerning the Company; and (v) no events that may have material adverse effects on the businesses, financial conditions, management conditions or cash flow, or forecasts therefor, of the Company or its subsidiaries or affiliates, and no material changes in the domestic or overseas stock markets or other market environments, financial environments, or economic environments have occurred.

The Tender Offeror has now completed procedures and steps required under the competition laws of Japan and any relevant foreign countries and, given that the waiting periods thereunder have expired, confirmed that all the conditions for commencement of the Tender Offer were satisfied and decided to commence the Tender Offer from July 17, 2018.

As of today, the Company's Shares are listed on TSE First Section and NSE First Section. Since the Tender Offeror and ITOCHU intend that the Company's Shares remain listed after the completion of the Tender Offer, the maximum number of shares to be purchased through the Tender Offer will be 10,880,400 shares (*1). If the Tender Offeror acquires 10,880,400 shares of the Company's Shares through the Tender Offer, ITOCHU and the Tender Offeror will jointly own the majority of the number of voting rights held by all shareholders of the Company (*2). If the total number of share certificates, etc. that are offered for sale in response to the Tender Offer (the "**Tendered Share Certificates**") exceeds the maximum number of shares to be purchased through the Tender Offer (10,880,400 shares), none of the excess shares will be purchased; and delivery and other settlement with respect to the purchase of share certificates, etc. will be handled on a proportionate basis, which is provided for in Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (the Ordinance of the Ministry of Finance No. 38 of 1990, as amended). On the other hand, there is no lower limit set on the number of shares to be purchased through the Tender Offer; therefore, all of the Tendered Share Certificates will be purchased if the total number of the Tendered Share Certificates is equal to or less than the maximum number of shares to be purchased through the Tender Offer (10,880,400 shares).

(Note *1) The maximum number of shares to be purchased through the Tender Offer (10,880,400 shares) is equal to (i) 63,387,696 shares (which represents 50.10% of the number of shares (126, 532,743 shares) calculated by subtracting the number of treasury shares held by the Company as of May 31, 2018 (179,570 shares), from the total number of issued shares of the Company as of the same date (126,712,313 shares), as stated in the Company's Summary of First Quarter Financial Results), minus (ii) the number of the Company's Shares (52,507,296 shares) held by ITOCHU as of today.

(Note *2) The number of voting rights held by all shareholders of the Company stated above means the number of voting rights held by all shareholders as of May 31, 2018, as stated in the First Quarter Earnings Report for the 38th Term filed by the Company on July 13, 2018.

(ii) Purpose and Background of the Tender Offer

The Tender Offeror's wholly owning parent company ITOCHU has been listed on the Osaka Securities Exchange and the Tokyo Stock Exchange since July 1950. ITOCHU, together with 206 consolidated subsidiaries and 93 equity-method affiliates including the Company (as of June 30, 2018), forms a corporate group (the "**ITOCHU Group**"). Through domestic and overseas business networks, ITOCHU's Textile Company, Machinery Company, Metals & Minerals Company, Energy & Chemicals Company, Food Company, General Products & Realty Company and ICT & Financial Business Company have been running diversified businesses and their business areas have been extended from "upstream" business areas, such as those relating to raw materials, to "downstream" business areas, such as retail business, to offer a variety of products and services that support peoples' daily lives. ITOCHU, with a central focus on the Food Company, optimally coordinates a food value chain tied to the products available in stores, which covers structuring of the procurement of ingredients, product development, manufacturing and processing, as well as a procurement of containers and packaging, in cooperation with "FamilyMart" convenience stores.

Meanwhile, the Company has been listed on the Tokyo Stock Exchange since December 1987. In September 2016, the Company implemented a business integration through an absorption-type merger (the “**Business Integration**”) with UNY Group Holdings Co., Ltd. (“**UNY Group Holdings**”), whereby the Company was the surviving company, and became FamilyMart UNY Holdings Co., Ltd., a pure holding company. The Company forms a corporate group (the “**Company Group**”) that consists of a total of 63 companies, which are composed of the Company, its 35 subsidiaries, and 27 affiliates and jointly controlled entities (as of May 31, 2018) and has been running a convenience store business (“**CVS Business**”) with a focus on FamilyMart Co., Ltd. (“**FamilyMart**”), a general merchandise store business (“**GMS Business**”) with a focus on UNY CO., LTD. (“**UNY**”), and businesses associated therewith.

Since Family Corporation Inc. (“**Family Corporation**”) (*1), which was a consolidated subsidiary of the Tender Offeror’s wholly owning parent company ITOCHU, acquired 28,620,000 shares of the Company (previously known as FamilyMart Co., Ltd. before the Business Integration; the “**Former FamilyMart**”) (such number of shares represents 29.74% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time) in February 1998, whereby Family Corporation became the largest shareholder of the Former FamilyMart and the Former FamilyMart became an equity-method affiliate of ITOCHU, ITOCHU has facilitated cooperation with the Former FamilyMart in various areas such as efficient logistics operations and product development. After that, Family Corporation came to own 29,941,200 shares of the Former FamilyMart (such number of shares represents 31.46% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time) through on-market purchases, etc. In September 2009, ITOCHU acquired from Family Corporation all shares in the Former FamilyMart that were owned by Family Corporation (the number of such shares was 29,941,200 shares (representing 31.46% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time)) and became the largest shareholder of the Former FamilyMart, in order to closely cooperate with the Former FamilyMart through a direct holding of the shares in the Former FamilyMart. As a result, as of September 2009, ITOCHU and its subsidiaries owned 30,022,508 shares in the Former FamilyMart (representing 31.55% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time). Subsequently, ITOCHU continued to acquire shares of the Company (which means the Former FamilyMart with respect to such shares as acquired before the Business Integration) mainly through on-market purchases (*2) and holds 52,507,296 shares (Ownership Ratio: 41.50%) of the Company’s Shares (*3) as of today. ITOCHU and its subsidiaries own a total of 52,753,501 shares (Ownership Ratio: 41.69%) of the Company’s Shares as of today. Based on the aforementioned capital relationship, ITOCHU and the Company have been strengthening their relationship through efforts to expand earnings in the CVS Business of the Company implementing restructuring of its business flow with ITOCHU Group companies, and efforts to expand earnings in both products and logistics in the GMS Business, taking advantage of the operating foundation of the ITOCHU Group.

(Note *1) Family Corporation was a company established on March 31, 1988 as a consolidated subsidiary of Nishino Trading Co., Ltd. (“**Nishino Trading**”), which was a subsidiary of ITOCHU at that time, and was running a logistics business relating to foods as well as the operation of distribution centers. Family Corporation acquired 28,620,000 shares of the Former FamilyMart (such number of shares represents 29.74% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time) from The Seiyu, Ltd. and its group companies in February 1998. On September 18, 2002, ITOCHU obtained certain numbers of shares in Family Corporation that were owned by Nishino Trading (such numbers were approximately 95% of the total numbers of issued shares of Family Corporation) and made Family Corporation its direct subsidiary. Since acquiring the shares in the Former FamilyMart in February 1998 as stated above, Family Corporation, as a consolidated subsidiary of ITOCHU, was entrusted with logistics operations by the Former FamilyMart. However, it was dissolved in March 2011, upon the implementation of an absorption-type merger, whereby Nippon Access, Inc., which was a consolidated subsidiary of ITOCHU, was the surviving company and Family Corporation was the dissolved company.

(Note *2) ITOCHU has acquired certain numbers of Company's Shares through the on-market purchases during each period, from July 7, 2014 through December 19, 2014, from February 5, 2016 through May 24, 2016, from October 20, 2016 through May 25, 2017, from October 13, 2017 through February 6, 2018, and from February 7, 2018 through April 19, 2018. In addition to the acquisitions through the aforementioned on-market purchases, 964,896 Company's Shares (Ownership Ratio as of November 2016: 0.76%) were allotted to ITOCHU as a shareholder of UNY Group Holdings upon the absorption-type merger pertaining to the Business Integration. The Ownership Ratio as of November 2016 means the ratio to the number of shares (126,643,807 shares) calculated by subtracting the number of treasury shares (68,506 shares) owned by the Company as of November 30, 2016, from the total number of issued shares of the Company (126,712,313 shares) as of the same date, both of which are stated in the Summary of Financial Results for the Third Quarter of the Fiscal Year ending February 2017 (JGAAP) (Consolidated), published by the Company on January 10, 2017.

(Note *3) At the time of the Business Integration, the Former FamilyMart changed its trade name to FamilyMart UNY Holdings Co., Ltd., which is the current trade name of the Company.

In the meantime, the retail industry in Japan has remained a difficult business environment in recent years, being affected by a shrinking market size due to the decline in the total population, the market becoming more harshly competitive with the increase in various business sectors such as an expansion of the e-commerce market, the continuing consumers' cost consciousness and labor shortages at stores and logistics, etc. In addition, customers' needs are becoming increasingly diversified and the selectiveness of consumers is becoming increasingly intense.

The Company is driving the change and reform of the business areas in the GMS Business, promoted by a capital and business alliance with Don Quijote Holdings Co., Ltd. on August 31, 2017. Further, a change of brand for the CVS Business from "Circle K Sunkus" to "FamilyMart" is estimated to be completed in November 2018. However, in recent years, the business environment surrounding the Company has been changing at an accelerated pace under the abovementioned circumstances. In particular, since the competitiveness in the retail industry harshly increases as retailers extend beyond their core business areas, in order for the Company to achieve sustainable growth, it is necessary to promote a more highly streamlined operation, as well as to provide appealing products and services, grasping customers' needs more accurately based on its customer base. At the same time, with respect to ITOCHU, the business model of trading companies is changing dramatically in the era of technological breakthroughs known as the fourth industrial revolution. ITOCHU strongly senses the necessity to innovate the conventional value chain in daily consumables business, which is ITOCHU's forte, including the value chain of convenience stores. It is essential for ITOCHU not to rely on the conventional business model of trading companies with a focus on B to B businesses, but to expand its contact points with customers and salvage data from customers to directly create new business opportunities.

In this environment, ITOCHU recognized that for the Company to achieve sustainable growth, it is essential to further strengthen the business foundation of the Company by having more sophisticated operations, including the enhancement of its product development capabilities, the building of a smooth logistics system, and the further streamlining of business flow. Then, in late February 2018, ITOCHU reached the conclusion that in order to accomplish the goals mentioned above, it is necessary for both companies to mutually complement the management resources and know-how of each other more closely, and make the best use of them by building a stronger and more integrated relationship between ITOCHU and the Company through making the Company a consolidated subsidiary of ITOCHU, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate. As a result, in late February 2018, ITOCHU reached out to the Company to discuss the plan to make the Company a consolidated subsidiary through a tender offer with a view to strengthening the collaboration between the two companies.

Subsequently, ITOCHU conducted due diligence on the Company from late March to early April 2018. In early April 2018, ITOCHU and the Company came to share the view that making the Company a consolidated subsidiary of ITOCHU would have the potential to facilitate the following efforts and effects, which could enhance the corporate value of the Company over the medium and long term, further strengthening the growth potential and profitability of the Company in a more integrated manner, and also would enhance the corporate value of the ITOCHU Group, bringing innovation to the conventional value chain in the daily consumables sector, which is one of the business areas of the ITOCHU Group.

I. Strengthening the Business Foundation of the Company by Taking Advantage of the Comprehensive Capabilities of the ITOCHU Group

ITOCHU has been focusing on strengthening its business foundation in cooperation with the Company by actively utilizing the networks and resources of the ITOCHU Group. However, in order to address more speedily the intensifying competitive environment and the change in the business environment described above, ITOCHU believes that it is essential that the Company and the ITOCHU Group, by making the Company a consolidated subsidiary, not only rationalize the conventional procurement of raw materials, manufacturing and intermediary logistics in the convenience store business model, but also advance various efforts, such as the development and promotion of financial services, other services and information business, optimizing and streamlining of supply chains using new technologies and next-generation technologies, cost savings, and the bolstering of the overseas business, including that in Asia, which is a market with a great potential to grow further, in a more integrated manner to innovate a business model targeting next-generation methods. Particularly, with respect to the two approaches, i.e., the development of financial services (FinTech(*)) including electronic money, credit cards, point services and IDs, etc. and the strengthening of overseas businesses, requests from the Company to use the human resources of the ITOCHU Group, and to further enhance collaboration, etc. with the ITOCHU Group as well as its alliance partners and related parties, are increasing. This leads ITOCHU to believe that it is important to establish a framework whereby the ITOCHU Group will be able to accommodate such needs in a more mobilized and flexible manner by making the Company a consolidated subsidiary. Further, in the e-commerce retail business, ITOCHU will develop and build the basis for growth by synthesizing the comprehensive capabilities of the ITOCHU Group with a view to promoting the integration of reality and the Internet and the digitalization of value chains in the future, in order to provide products and services tailored to consumer needs by utilizing data and technologies.

II. Promotion of Business Development in the ITOCHU Group

ITOCHU believes that it would be possible to spread and horizontally expand a new business model across the entire ITOCHU Group by promoting a next-generation business model through the active introduction of new technologies and services of the ITOCHU Group, its alliance partners and related parties to the Company, which is the largest contact point with customers in the ITOCHU Group. ITOCHU will build a common platform base by positioning the Company as the main pillar of the ITOCHU Group’s digital strategies.

Specifically, ITOCHU will achieve sophisticated marketing, optimized and streamlined manufacturing, storage and distribution, and efficient store operations, etc. of the Company by changing the conventional supply chain to the next generation model with the use of new technologies. Experience and knowledge obtained through such achievement will apply to other business models of the ITOCHU Group.

The ITOCHU Group has certain promising information technology companies within the group, such as ITOCHU Techno-Solutions Corporation, which is expected to make contributions to up-to-date information technology, such as AI and IoT, and promising strategic partners in China and other Asian regions, such as CITIC Limited in China, which is developing a diversified business including financial services, and Charoen Pokphand Group Company Limited in Thailand, which has a strong position in the food business. Through the enhancement of collaboration among the domestic and overseas group companies and alliance partners, it will be possible to expand and promote the efforts to innovate the conventional business model with the use of new digital technologies, etc., not only in Japan, but also in China and across the Asian region with a great potential to grow further.

(Note*) FinTech means the creation of financial services making advanced use of information technology.

ITOCHU and the Company reached the conclusion that in order for the ITOCHU Group and the Company to enhance their corporate value by developing further synergies through realizing the efforts and effects above promptly, it is necessary for both companies to mutually complement the management resources and know-how of each other more closely, and make the best use of them by building a stronger and more integrated relationship between ITOCHU and the Company through making the Company a consolidated subsidiary of ITOCHU, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate. Therefore, ITOCHU made a resolution at its board of directors meeting held on April 19, 2018 to implement the Tender Offer through a wholly owned subsidiary of ITOCHU in order to make the Company a consolidated subsidiary of ITOCHU.

The Tender Offeror then completed the procedures and steps required under the competition laws of Japan and any relevant foreign countries and, given that the waiting periods thereunder have expired, confirmed that all the conditions for commencement of the Tender Offer were satisfied and decided to commence the Tender Offer from July 17, 2018.

While the ITOCHU Group will continuously work on solving issues confronting the Company and developing a next generation business model in an integrated manner, ITOCHU's point of view that the essential parts of the retail business, such as store operations, should be managed by FamilyMart and UNY, which are "professionals of the retail business," and their independence of management should remain unaffected even after the completion of the Tender Offer, in light of ITOCHU's long-held standpoint that "it is difficult to manage the essential parts of the retail business, such as store operations, by a trading company's way of thinking." The ITOCHU Group will, in order to support the daily store operations of the Company, promote innovation and efficiency in business operations by developing and realizing new functions and services utilizing the technologies in the financial businesses (FinTech) or in the information technology businesses through the best use, in close cooperation with the Company, of the management resources including its human resources, the close relationships with its alliance partners and clients, and the know-how gained through developing a diversified business to date. In addition, ITOCHU will manage financial indicators, etc. in compliance with targets on a company-wide basis and achieve the quantitative and qualitative effects associated with the Tender Offer over the medium term.

(iii) Management Policy After the Tender Offer

The Tender Offeror and ITOCHU intend to strengthen collaboration with the Company while keeping the Company listed and its independence of management even after the Tender Offer. Regarding the management structure and members of the board of directors after the Tender Offer (including the dispatch of officers or other personnel matters), no decision has been made at present. ITOCHU and the Company will discuss after the Tender Offer, with the aim of building an appropriate governance structure that respects the independence of the Company as a listed company and a framework that enables the maximized synergies of the ITOCHU Group.

(iv) The Company's Decision-Making Process Leading to, and Reasons for, Supporting the Tender Offer

Since ITOCHU became the Company's largest shareholder in September 2009, ITOCHU and the Company have been strengthening their relationship, such as through efforts to expand earnings in the CVS Business of the Company by revising its business flow with ITOCHU Group companies, and through efforts to expand earnings in both products and logistics in the GMS Business by taking advantage of the operating foundation of the ITOCHU Group. On top of this, it has been recognized that, considering the business environment of the retail industry, which has been changing at an accelerated pace in recent years, in order for the Company to achieve sustainable growth, it is essential to further strengthen its business foundation by achieving sophisticated operations, including the enhancement of its product development capabilities, the building of a smooth logistics system, and the further streamlining of business flow; and the Company has come to the conclusion that for the abovementioned purpose, it is necessary for both companies to mutually complement the management resources and know-how of each other more closely, and make the best use of them by building a stronger and more integrated relationship between ITOCHU and the Company through making the Company a consolidated subsidiary of ITOCHU Group, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate, which enables the making of efforts in a more integrated manner to further strengthen the growth potential and profitability of the Company and boost the corporate value of the Company over the medium and long term.

Therefore, the Company made a unanimous resolution at its board of directors meeting held on April 19, 2018 to express its opinion as of the same date to the effect that it will support the Tender Offer if the Tender Offer is commenced, on the condition that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and any applicable waiting periods thereunder have expired, and that the Tender Offer Price is reasonable in light of the content of a valuation report or appraisal report concerning the equity value of the Company's Shares, in the case where the Company obtains such valuation report or appraisal report after the publication of the Company's press release dated April 19, 2018 entitled "Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation," in addition to the Analysis Report Dated April 18, 2018. In addition, the Company resolved at the same board of directors meeting that decisions by the shareholders regarding whether to tender their shares in the Tender Offer would be left to the discretion of the Company's shareholders, on the following grounds: that the Company and ITOCHU confirmed that the Company's Shares would remain listed after the completion of the Tender Offer and thus the Company's Shares would remain listed, while the Tender Offer Price was deemed to be reasonable to a certain extent, considering that the Tender Offer Price exceeded the maximum value of the analysis result range under the historical share trading analysis in the Analysis Report Dated April 18, 2018 obtained from SMBC Nikko Securities and was within the analysis result range under the discounted cash flow analysis (the "**DCF Analysis**") in the Analysis Report Dated April 18, 2018, and the Tender Offer Price was the price which represented a premium of 9.78% (rounded to two decimal places; hereinafter the same applies to stock price premiums and discounts (%)) to 10,020 yen, the closing price of the Company's Shares in TSE First Section on April 18, 2018 (the immediately preceding day of the release date of the Tender Offer); and that it was considered to be a sufficiently reasonable option for the shareholders of the Company to continue to hold their Company's Shares after the Tender Offer since a certain maximum number of shares to be purchased would apply to the Tender Offer. Furthermore, since the Tender Offer will be commenced subject to certain conditions as stated above, and it will take some time for commencement, the board of directors of the Company will make another resolution to express its opinion concerning the Tender Offer at the time of commencement thereof upon confirmation that the conditions to express its opinion to the effect that it will support the Tender Offer as described above are satisfied.

While the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and applicable waiting periods have expired since then, close to three months have passed since the Company announced the press release dated April 19, 2018 entitled "Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation," and it is necessary to consider changes in the market environment among other factors. Accordingly, with respect to the commencement of the Tender Offer, the Company has obtained from SMBC Nikko Securities another analysis report regarding the equity value of the Company's Shares dated July 12, 2018 (the "**Analysis Report Dated July 12, 2018**") in order to again determine the reasonableness of the Tender Price.

As a result of further deliberation of the Tender Offer, the Company once again made a resolution by its board of directors dated today (a) to support the Tender Offer, because while the Tender Offer Price fell short of the minimum value of the analysis result range under the historical share trading analysis in the Analysis Report Dated July 12, 2018, the Tender Offer Price was deemed to be reasonable to a certain extent in light of it being within the analysis result range under the DCF Analysis, it can be asserted that the aforementioned conditions required for that support have been satisfied, and the Company has concluded that no factors have changed its judgment on the Tender Offer, even in light of changes in the market environment and other factors since the meeting of its board of directors held on April 19, 2018 and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Company's Shares will remain listed even after the Tender Offer.

For the decision-making process of the Company's board of directors, please refer to "(iii) Approval of All Directors and Non-objection of All Corporate Auditors of the Company" in "(6) The Company's Measures to Ensure the Fairness of the Tender Offer and to Avoid Conflicts of Interest" below.

(3) Matters Related to Financial Analysis

(i) Name of the Financial Advisor, and its Relationships with the Company and the Tender Offeror, which is a Wholly Owned Subsidiary of ITOCHU

The Company requested its third-party financial adviser SMBC Nikko Securities Inc., which is independent from the Company and ITOCHU, to analyze the equity value of the Company's Shares and received the Analysis Report Dated April 18, 2018 and the Analysis Report Dated July 12, 2018 in order to eliminate arbitrariness from the decision-making process of the Company concerning the Tender Offer Price presented by ITOCHU and to ensure the fairness of the Tender Offer Price. SMBC Nikko Securities is not a related party of the Company, the Tender Offeror, or ITOCHU and does not have any significant interest in the Tender Offer.

As per the Company's request, SMBC Nikko Securities received the information, such as the current condition of the Company's business and future business plan, and received explanation thereof, and analyzed the equity value of the Company's Shares based on such information. The Company has not obtained a written opinion concerning the fairness of the Tender Offer Price (i.e. a fairness opinion) from SMBC Nikko Securities.

(ii) Outline of the Analysis

When the Company expressed its opinion regarding the planned commencement of the Tender Offer as of April 19, 2018, SMBC Nikko Securities reached the view that the equity value of the Company's Shares should be analyzed from multiple viewpoints, after reviewing the financial condition of the Company and trends in the market price of the Company's Shares etc. As a result of considering analytical methods to be applied among several methods for analyzing the equity value, SMBC Nikko Securities analyzed the equity value of the Company's Shares using the historical share trading analysis and the DCF Analysis, on the assumption that the Company is a going concern. Accordingly, the Company received the Analysis Report Dated April 18, 2018 from SMBC Nikko Securities.

According to the Analysis Report Dated April 18, 2018, the adopted methods and the ranges of the equity value per share of the Company analyzed based on each method are as follows:

Historical share trading analysis: 8,216 yen to 9,013 yen

DCF Analysis:	8,058 yen to 12,935 yen

The result of the historical share trading analysis demonstrates that the range of the equity value per share of the Company's Shares is between 8,216 yen and 9,013 yen, on the basis that a simple average of the closing prices of the Company's Shares on TSE First Section in the previous month was 9,013 yen (rounded to the nearest whole number; hereinafter the same applies to the calculations of simple averages of the closing prices), and a simple average of the closing prices in the previous three months was 8,216 yen, with April 18, 2018 as the market data reference date.

The result under the DCF Analysis demonstrates that the range of the equity value per share of the Company's Shares is between 8,058 yen and 12,935 yen, as a result of analyzing the enterprise value and the equity value of the Company by discounting the free cash flow that is expected to be generated by the Company in the fiscal year ending February 2019 or thereafter with a certain discount rate, based on various factors such as revenues and investment plans in the business plan of the Company from the fiscal year ending February 2019 through the fiscal year ending February 2021 and other information publicly available. Regarding the business plan, which was the basis for the DCF Analysis, a significant increase in earnings is expected. Specifically, for operating income in the fiscal year ending February 2019, a year-on-year increase of 144.9% is expected due to the expected decrease of approximately 34.3 billion yen in other expenses (store close expenses and impairment expenses) compared with the previous fiscal year.

When the Company expressed its opinion regarding the commencement of the Tender Offer as of today, SMBC Nikko Securities reached the view that the equity value of the Company's Shares should be analyzed from multiple viewpoints, after reviewing the financial condition of the Company and trends in the market price of the Company's Shares etc. As a result of considering analytical methods to be applied among several methods for analyzing the equity value, SMBC Nikko Securities analyzed the equity value of the Company's Shares using the historical share trading analysis and the DCF Analysis, on the assumption that the Company is a going concern. Accordingly, the Company additionally received the Analysis Report Dated July 12, 2018 from SMBC Nikko Securities.

According to the Analysis Report Dated July 12, 2018, the adopted methods and the ranges of the equity value per share of the Company analyzed based on each method are as follows:

Historical share trading analysis:	11,251 yen to 11,770 yen
DCF Analysis:	8,038 yen to 12,931 yen

The result of the historical share trading analysis demonstrates that the range of the equity value per share of the Company's Shares is between 11,251 yen and 11,770 yen, on the basis that a simple average of the closing prices of the Company's Shares on TSE First Section in the previous month was 11,770 yen, and a simple average of the closing prices in the previous three months was 11,251 yen, with July 12, 2018 as the market data reference date.

The result under the DCF Analysis demonstrates that the range of the equity value per share of the Company's Shares is between 8,038 yen and 12,931 yen, as a result of analyzing the enterprise value and the equity value of the Company by discounting the free cash flow that is expected to be generated by the Company in the fiscal year ending February 2019 or thereafter with a certain discount rate, based on various factors such as revenues and investment plans in the business plan of the Company from the fiscal year ending February 2019 through the fiscal year ending February 2021 and other information publicly available. Regarding the business plan, which was the basis for the DCF Analysis, a business plan identical to that used in the Analysis Report Dated April 18, 2018 was adopted.

(4) Schedule for Additional Acquisition of Share Certificates, etc. After the Tender Offer

As stated above, through the Tender Offer, ITOCHU plans to hold, together with the voting rights pertaining to the Company's Shares held by the Tender Offeror, the majority of the number of voting rights held by all shareholders of the Company and to make the Company a consolidated subsidiary of ITOCHU. If ITOCHU fails to achieve such purpose, ITOCHU intends to additionally purchase the Company's Shares through on-market purchases or by other means giving consideration to market trends, to the extent considered reasonably necessary in order to make the Company a consolidated subsidiary of ITOCHU.

(5) Likelihood of Delisting and Reasons Therefor

The Company's Shares are listed on TSE First Section and NSE First Section as of today and are not intended to be delisted through the Tender Offer. The Tender Offeror will conduct the Tender Offer with the maximum number of shares to be purchased being 10,880,400 shares (*) (together with the Company's Shares held by ITOCHU as of today, 63,387,696 shares; Ownership Ratio: 50.10%). Therefore, the Company's Shares will remain listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange after the completion of the Tender Offer.

(Note*) The maximum number of shares to be purchased through the Tender Offer (10,880,400 shares) is equal to (i) 63,387,696 shares (which represents 50.10% of the number of shares (126,532,743 shares) calculated by subtracting the number of treasury shares held by the Company as of May 31, 2018 (179,570 shares), from the total number of issued shares of the Company as of the same date (126,712,313 shares), as stated in the Company's Summary of First Quarter Financial Results), minus (ii) the number of Company's Shares (52,507,296 shares) held by ITOCHU as of today.

(6) The Company's Measures to Ensure the Fairness of the Tender Offer and to Avoid Conflicts of Interest

Given that the Company was not a consolidated subsidiary of ITOCHU on April 19, 2018, which was the date on which the decision to implement the Tender Offer was made, nor is the Company a consolidated subsidiary of ITOCHU as of today, and also given that the Tender Offeror is an entity who is not a controlling shareholder of the Company, the Tender Offer is not classified as a tender offer by a controlling shareholder. However, given that the Tender Offeror's wholly-owning parent company ITOCHU owns 52,507,296 shares of the Company's Shares (Ownership Ratio: 41.50%) as of today and has made the Company its equity-method affiliate, and that Mr. Koji Takayanagi, Mr. Isamu Nakayama, Mr. Kunihiro Nakade, Mr. Isao Kubo, and Mr. Hiroaki Tamamaki, among the thirteen directors of the Company as of today, and Mr. Yasuhiro Baba, an outside corporate auditor of the Company as of today, are originally from ITOCHU and left ITOCHU less than ten years ago, ITOCHU and the Company have been cautious and taken the measures described below to ensure the fairness of the Tender Offer and to avoid conflicts of interest, despite the fact that it is not believed necessary to exclude these ITOCHU alumni from deliberation or resolutions by the Company's board of directors in relation to the Tender Offer or discussion with ITOCHU about the Tender Offer out of any concern of a conflict of interest in relation to the Tender Offer. Details regarding measures implemented by ITOCHU that are made among the statements below are based on explanations received from ITOCHU.

(i) Obtaining a Analysis Report from an Independent Third-party Valuation Firm by the Company

Please refer to "(i) Name of Financial Advisor, and its Relationships with the Company and the Tender Offeror, which is a Wholly Owned Subsidiary of ITOCHU" and "(ii) Outline of the Analysis" of "(3) Matters Related to Financial Analysis".

(ii) Advice from an Outside Law Firm to the Company

In order to ensure the transparency and fairness of the decision-making process, etc. of the board of directors of the Company concerning the Tender Offer, the Company has appointed Mori Hamada & Matsumoto as outside legal counsel and received legal advice from the law firm regarding the decision-making process, methods and other points of note with respect to the board of directors of the Company concerning the Tender Offer.

(iii) Approval of All Directors and Non-objection of All Corporate Auditors of the Company

The Company carefully discussed and examined the Tender Offer based on the information in the Analysis Report Dated April 18, 2018 obtained from SMBC Nikko Securities and the legal advice from Mori Hamada & Matsumoto.

As a result, in accordance with the basis and reasons stated in “(2) Basis and Reasons for Opinion Regarding the Tender Offer” above, the Company made a resolution at its board of directors meeting held on April 19, 2018 to express its opinion as of the same date to the effect that it will support the Tender Offer if the Tender Offer is commenced, on the conditions set out in “(1) Details of Opinion Regarding the Tender Offer” above. In addition, and as stated in “(iv) The Company’s Decision-Making Process Leading to, and Reasons for, Supporting the Tender Offer” in “(2) Basis and Reasons for Opinion Regarding the Tender Offer” stated above, the Company resolved at the same board of directors meeting that decisions by the shareholders regarding whether to tender their shares in the Tender Offer would be left to the discretion of the Company’s shareholders. Furthermore, since the Tender Offer will be commenced subject to certain conditions as stated above, and it will take some time for commencement, the board of directors of the Company decided to make another resolution to express its opinion concerning the Tender Offer at the time of commencement thereof, upon confirming that the conditions required for supporting the Tender Offer have been satisfied. The resolutions of the board of directors described above were unanimously approved with all of the ten directors (including two outside directors) of the Company at that time having participated. In addition, all of the five corporate auditors of the Company (including four outside corporate auditors) at that time attended the same board of directors meeting and stated that they had no objection to the resolutions described above.

As a result of further deliberation of the Tender Offer, the Company once again made a resolution by its board of directors dated today (a) to support the Tender Offer, because it can be asserted that the aforementioned conditions required for that support have been satisfied (for details, please refer to “(iv) The Company’s Decision-Making Process Leading to, and Reasons for, Supporting the Tender Offer” in “(2) Basis and Reasons for Opinion Regarding the Tender Offer” above), and the Company has concluded that no factors have changed its judgment on the Tender Offer, even in light of changes in the market environment and other factors since the meeting of its board of directors held on April 19, 2018 and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Company’s Shares will remain listed even after the Tender Offer. This resolution of the board of directors described above was unanimously approved by the 13 directors (including two outside directors) of the Company. In addition, all of the five corporate auditors of the Company (including four outside corporate auditors) stated that they had no objection to the resolution described above.

(iv) Obtaining a Stock Valuation Report from an Independent Third-party Valuation Firm by ITOCHU

When determining the Tender Offer Price in March 2018, in order to ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities Co., Ltd. (“**Nomura Securities**”), a financial advisor of ITOCHU, calculate the equity value of the Company’s Shares as a third-party valuation firm independent from the Tender Offeror, ITOCHU, and the Company.

After reviewing the financial condition of the Company and trends in the market price of the Company's Shares, Nomura Securities reached the view that the equity value of the Company's Shares should be evaluated from multiple viewpoints. As a result of considering calculation methods to be applied among several methods to evaluate the equity value, Nomura Securities calculated the equity value of the Company's Shares using the average market price method, comparable company comparison method, and the DCF Method on the assumption that the Company is a going concern, and ITOCHU received that stock valuation report from (the "**Tender Offeror Stock Valuation Report**") from Nomura Securities on April 19, 2018. Nomura Securities is not a related party of the Tender Offeror, ITOCHU, or the Company and does not have any significant interest in the Tender Offer. ITOCHU has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

The ranges of the per-share-value of the Company's Shares calculated by Nomura Securities using each of the above methods are as follows:

Average market price method:	7,723 yen to 10,020 yen
Comparable company comparison method:	3,029 yen to 11,084 yen
DCF Method:	6,704 yen to 13,876 yen

Analysis under the average market price method demonstrates that the range of the per-share-value of the Company's Shares is between 7,723 yen and 10,020 yen, on the basis that the closing price of the Company's Shares (meaning the closing price on TSE First Section; the same below) on the valuation date (meaning April 18, 2018; the same below) was 10,020 yen; the simple average of the closing prices of the Company's Shares in the previous five business days was 9,508 yen; a simple average of the closing prices of the Company's Shares in the previous month was 9,013 yen; a simple average of the closing prices in the previous three months was 8,216 yen; and a simple average of the closing prices in the previous six months was 7,723 yen, all of which are the prices on the First Section of the Tokyo Stock Exchange, having April 18, 2018, as the record date.

Under the comparable company comparison method, equity value was analyzed through comparison with the market prices and financial indicators showing profitability of listed companies that engage in businesses comparatively similar to those of the Company. The analysis under the comparable company comparison method demonstrates that the range of the per-share-value of the Company's Shares is between 3,029 yen and 11,084 yen.

Analysis under the DCF Method demonstrates that the range of the per-share-value of the Company's Shares is between 6,704 yen and 13,876 yen, as a result of analyzing the corporate value and the equity value of the Company by discounting the free cash flow that is expected to be generated by the Company in the future with a certain discount rate, based on the estimated revenue of the Company from the fiscal year ending February 2019, taking into consideration a business plan from the fiscal year ending February 2019 through the fiscal year ending 2021, which has been provided by the Company to, and confirmed by, ITOCHU, recent trends in the business performance, information publicly available and other factors.

Taking the details and results of calculation stated in the Tender Offeror Stock Valuation Report into consideration, and also taking comprehensively into account several factors such as the results of due diligence on the Company, whether or not the board of directors of the Company supports the Tender Offer, trends in the market price of the Company's Shares, the premiums added in share pricing in the past cases of tender offers for share certificates, etc. by parties other than issuers, and the outlook for the applications for the Tender Offer, ITOCHU decided on April 19, 2018 that the Tender Offer Price should be 11,000 yen. Subsequently, ITOCHU confirmed that there had been no significant changes in the business conditions of the Company and the environment surrounding this transaction and decided today not to change the Tender Offer Price.

While the Tender Offer Price is an amount discounted by 3.00% from 11,340 yen, which was the closing price of the Company's Shares on TSE First Section on July 12, 2018, the business day prior to today, it is also the price obtained by adding a premium of 9.78% to 10,020 yen, which was the closing price of the Company's Shares on TSE First Section on April 18, 2018, the business day immediately prior to the announcement of the Tender Offer, 22.05% to 9,013 yen, which was the simple average closing price of the month prior to the same date, 33.89% to 8,216 yen, which was the simple average closing price of the three months prior to the same date, and 42.43% to 7,723 yen, which was the simple average closing price of the six months prior to the same date, respectively.

ITOCHU acquired 3,879,600 shares of the Company's Shares through on-market purchases at the price of 7,080 yen - 10,000 yen per share from February 7, 2018 through April 19, 2018. Although such acquisition prices were lower than the Tender Offer Price by 1,000 yen - 3,920 yen, such acquisition was an on-market transaction, which made the acquisition prices different from the Tender Offer Price to which a premium is added.

4. Matters Regarding Material Agreement(s) Related to Acceptance of the Tender Offer Between the Tender Offeror and the Shareholders of the Company

Nothing applicable.

5. Details of Benefits Gained by the Tender Offeror or Parties that have Special Relationship with the Tender Offeror

Nothing applicable.

6. Response Policy with respect to Basic Policies relating to the Control of the Company

Nothing applicable.

7. Questions to the Tender Offeror

Nothing applicable.

8. Requests for Extension of Tender Offer Period

Nothing applicable.

9. Policies After the Tender Offer and Future Outlook

With respect to the policies after the Tender Offer, please refer to the abovementioned “(ii) Purpose and Background of the Tender Offer” in “(2) Basis and Reasons for Opinion Regarding the Tender Offer” in “3. Details of, and Basis and Reasons for, Opinion Regarding the Tender Offer” and “(5) Likelihood of Delisting and Reasons Therefor” in “3. Details of, and Basis and Reasons for, Opinion Regarding the Tender Offer.”

10. Other Information

The Company released the “Summary of Consolidated Financial Results (IFRS) for the First Quarter of the Fiscal Year Ending February 2019” on July 12, 2018. For more detailed information, please refer to that summary.

End of document

(Reference)

“Announcement in Relation to Commencement of Tender Offer for Shares in FamilyMart UNY Holdings Co., Ltd. (Code No. 8028)” dated July 13, 2018 (Attachment)

July 13, 2018

This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.

ITOCHU Corporation
(Code No. 8001, Tokyo Stock Exchange, 1st Section)
Representative Director and President and Chief Operating Officer: Yoshihisa Suzuki

ITOCHU RETAIL INVESTMENT, LLC
Executor: Kensuke Hosomi

Announcement in Relation to Commencement of Tender Offer for Shares in FamilyMart UNY Holdings Co., Ltd. (Code No. 8028)

ITOCHU Corporation (hereinafter referred to as "ITOCHU") announced in the disclosure made on April 19, 2018 entitled "Announcement in Relation to Planned Commencement of Tender Offer for Shares in FamilyMart UNY Holdings Co., Ltd. (Code: 8028)" that a wholly-owned subsidiary of ITOCHU will acquire the common shares of FamilyMart UNY Holdings Co., Ltd.(which are listed on the First Section of the Tokyo Stock Exchange and the First Section of the Nagoya Stock Exchange: Code No. 8028; hereinafter referred to as the "Target Company") (such common shares, hereinafter referred to as the "Target Company Shares") by way of tender offer (hereinafter referred to as the "Tender Offer") as stipulated in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter referred to as the "Act") subject to certain conditions, including that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed (for details, please see "(1) Outline of the Tender Offer" of "2. Purpose of the Tender Offer" below).
ITOCHU and ITOCHU RETAIL INVESTMENT, LLC (headquartered in Minato-ku, Tokyo; Executor: Kensuke Hosomi; hereafter referred to as the "Tender Offeror"), which is a wholly-owned subsidiary of ITOCHU, hereby announce that the Tender Offeror today decided to commence the Tender Offer from July 17, 2018 given that the abovementioned conditions have now been satisfied. Details are as follows.
This document is disclosed by ITOCHU in accordance with the Securities Listing Regulations, and also makes an official announcement pursuant to Article 30, paragraph 1, item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Act No. 321 of 1965, as amended; hereinafter referred to as the "Order") based on the request of ITOCHU RETAIL INVESTMENT, LLC (the Tender Offeror) to ITOCHU (the wholly-owning parent company of the Tender Offeror).

1. Outline of ITOCHU RETAIL INVESTMENT, LLC

(1) Name	ITOCHU RETAIL INVESTMENT, LLC
(2) Location	2-5-1 Kita-Aoyama, Minato-ku, Tokyo

(3) Title and Name of Representative	Executor: Kensuke Hosomi
(4) Business Lines	Acquisition and holding of share certificates, etc. of the Target Company
(5) Capital	¥1,000,000 (as of July 13, 2018)

2. Purpose of the Tender Offer

(1) Outline of the Tender Offer

The Tender Offeror is a *Godo Kaisha* (limited liability company) established on June 1, 2018 primarily for the purpose of acquiring and holding the share certificates, etc. of the Target Company through the Tender Offer and, as of today, ITOCHU holds a 100% stake in the Tender Offeror. As of today, the Tender Offeror does not hold any Target Company Shares, which are listed on the First Section of the Tokyo Stock Exchange (hereinafter referred to as the "TSE") and the First Section of the Nagoya Stock Exchange (hereinafter referred to as the "NSE") while, as of today, ITOCHU, which is the wholly-owning parent company of the Tender Offeror holds 52,507,296 Target Company Shares (Ownership Ratio (*1): 41.50% (rounded to two decimal places; hereinafter the same applies to the calculation of ratios), and the Target Company is an equity method affiliate of ITOCHU.

(Note *1) The "Ownership Ratio" means the ratio of the relevant Target Company Shares to the number of shares (126,532,743 shares) remaining after subtracting the number of treasury shares (179,570 shares) held by the Target Company as of May 31, 2018, from the total number of issued shares of the Target Company (126,712,313 shares) as of the same date, both of which are disclosed in the "Summary of Consolidated Financial Results (IFRS) for the First Quarter of the Fiscal Year Ending February 2019" released by the Target Company on July 12, 2018 (Japanese Only, hereinafter referred to as the "Target Company's Summary of First-Quarter Financial Results").

As ITOCHU, which is the wholly-owning parent company of the Tender Offeror, announced in the disclosure on April 19, 2018 entitled "Announcement in Relation to Planned Commencement of Tender Offer for Shares in FamilyMart UNY Holdings Co., Ltd. (Code: 8028)," at its board of directors meeting held on April 19, 2018, ITOCHU resolved to have its wholly-owned subsidiary conduct the Tender Offer for the Target Company Shares for the purpose of making the Target Company its consolidated subsidiary; provided that the following conditions for commencement of the Tender Offer have been satisfied:

(i) (a) The Target Company's board of directors has made a resolution declaring its opinion supporting the Tender Offer and (b) any resolution to withdraw such resolution or any resolution in contradiction to such resolution has not been made;

(ii) The procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and any applicable waiting periods thereunder have expired;

(iii) No actions, suits or proceedings seeking prohibition or restriction of the commencement of the Tender Offer are pending with a judicial or administrative agency, etc., and there is no determination, etc. made by a judicial or administrative agency prohibiting or restricting the commencement of the Tender Offer;

(iv) There are no unannounced material facts (as stipulated in Article 166, paragraph 2 of the Act) and no facts relating to a tender offer (as stipulated in Article 167, paragraph 2 of the Act) concerning the Target Company; and

(v) No events that may have material adverse effects on the businesses, financial conditions, management conditions or cash flow, or forecasts therefor, of the Target Company or its subsidiaries or affiliates, and no material changes in the domestic or overseas stock markets or other market environments, financial environments, or economic environments have occurred.

Given that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and the applicable waiting periods thereunder have expired, the Tender Offeror confirmed that all the conditions for commencement of the Tender Offer had been satisfied and decided to commence the Tender Offer from July 17, 2018.

As of today, the Target Company Shares are listed on the First Section of the TSE and the First Section of the NSE. Since the Tender Offeror and ITOCHU intend to remain the Target Company Shares listed after the completion of the Tender Offer, the maximum number of shares to be purchased through the Tender Offer is set to be 10,880,400 shares (*2). If the Tender Offeror acquires 10,880,400 Target Company Shares through the Tender Offer, ITOCHU and the Tender Offeror will jointly own the majority of the number of voting rights held by all shareholders of the Target Company (*3). If the total number of share certificates, etc. that are offered for sale in response to the Tender Offer (hereinafter referred to as the "Tendered Share Certificates") exceeds the maximum number of shares to be purchased through the Tender Offer (10,880,400 shares), all or part of the excess shares will not be purchased; and delivery and other settlement with respect to the purchase of share certificates, etc. will be handled on a proportionate basis, which is provided for in Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (the Ordinance of the Ministry of Finance No. 38 of 1990, as amended; hereinafter referred to as the "Cabinet Office Ordinance"). On the other hand, there is no lower limit on the number of shares to be purchased through the Tender Offer; therefore, all of the Tendered Share Certificates will be purchased if the total number of the Tendered Share Certificates is equal to or less than the maximum number of shares to be purchased through the Tender Offer (10,880,400 shares).

(Note *2) The maximum number of shares to be purchased through the Tender Offer (10,880,400 shares) is equal to (i) 63,387,696 shares (which number of shares represents 50.10% of the number of shares (126,532,743 shares), which is calculated by subtracting the number of treasury shares held by the Target Company as of May 31, 2018 (179,570 shares), from the total number of issued shares of the Target Company as of the same date (126,712,313 shares) as stated in the Target Company's Summary of First-Quarter Financial Results, minus (ii) the number of Target Company Shares (52,507,296 shares) held by ITOCHU as of today.

(Note *3) The number of voting rights held by all shareholders of the Target Company stated above means the number of voting rights held by all shareholders as of May 31, 2018, as stated in the First Quarter Earnings Report for the 38th Term filed by the Target Company on July 13, 2018.

According to the "Announcement of Expression of Opinion regarding the Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by ITOCHU RETAIL INVESTMENT, LLC, a Wholly Owned Subsidiary of ITOCHU Corporation" published by the Target Company as of today (hereinafter referred to as the "Target Company Disclosure"), as a result of further deliberation of the Tender Offer, the Target Company once again made a resolution by its board of directors today (a) to support the Tender Offer for the following reasons: all of the conditions to support the Tender Offer were satisfied; and that, after taking into consideration the changes in the market environment, etc. after the board of directors meeting of the Target Company held on April 19, 2018, it was still considered that there were no factors that would change the decision regarding the Tender Offer and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Target Company Shares will remain listed even after the Tender Offer.

For details of the abovementioned decision-making process of the Target Company's board of directors, please refer to the Target Company Disclosure and "(i) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer" in "(2) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer; Management Policies after the Tender Offer" below.

It is noted that the abovementioned resolution of the Target Company's board of directors was made by the method stated in "(iv) Approval of All Directors and Non-objection of All Corporate Auditors of the Target Company" in "(4) Measures to Ensure the Fairness of Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below based on the grounds and reasons stated in "(i) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer" in (2) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer; Management Policies after the Tender Offer" below.

(2) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer; Management Policies after the Tender Offer

(i) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer

ITOCHU, which is the wholly-owning parent company of the Tender Offeror, has been listed on the Osaka Securities Exchange and the Tokyo Stock Exchange since July 1950. ITOCHU, together with 206 consolidated subsidiaries and 93 equity-method affiliates including the Target Company (as of June 30, 2018), forms a corporate group (hereinafter referred to as the "ITOCHU Group"). Through domestic and overseas business networks, ITOCHU's Textile Company, Machinery Company, Metals & Minerals Company, Energy & Chemicals Company, Food Company, General Products & Realty Company and ICT & Financial Business Company have been running diversified businesses and their business areas have been extended from "upstream" business areas, such as those relating to raw materials, to "downstream" business areas, such as retail business, to offer a variety of products and services that support peoples' daily lives. ITOCHU, with a central focus on the Food Company, optimally coordinates a food value chain tied to the products available in stores, which covers structuring of the procurement of ingredients, product development, manufacturing and processing, as well as a procurement of containers and packaging, in cooperation with "FamilyMart" convenience stores.

Meanwhile, the Target Company has been listed on the Tokyo Stock Exchange since December 1987. In September 2016, the Target Company implemented a business integration through an absorption-type merger (hereinafter referred to as the "Business Integration") with UNY Group Holdings Co., Ltd. (hereinafter referred to as "UNY Group Holdings"), whereby the Target Company was the surviving company, and became FamilyMart UNY Holdings Co., Ltd., a pure holding company. The Target Company forms a corporate group, which consists of a total of 63 companies, i.e., the Target Company, its 35 subsidiaries and 27 affiliates and jointly controlled entities (as of May 31, 2018) and has been running a convenience store business (hereinafter referred to as "CVS Business") with a focus on FamilyMart Co., Ltd. (hereinafter referred to as "FamilyMart"), a general merchandise store business (hereinafter referred to as "GMS Business") with a focus on UNY CO., LTD. (hereinafter referred to as "UNY"), and businesses associated therewith.

Since Family Corporation Inc. (hereinafter referred to as "Family Corporation") (*1), which was a consolidated subsidiary of ITOCHU, acquired 28,620,000 shares of the Target Company (previously known as FamilyMart Co., Ltd. before the Business Integration; hereinafter referred to as the "Former FamilyMart") (such number of shares represents 29.74% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time) in February 1998, whereby Family Corporation became the largest shareholder of the Former FamilyMart and the Former FamilyMart became an equity-method affiliate of ITOCHU, ITOCHU, which is the wholly-owning parent company of the Tender Offeror, has facilitated cooperation with the Former FamilyMart in various areas such as efficient logistics operations and product development. After that, Family Corporation came to own 29,941,200 shares of the Former FamilyMart (such number of shares represents 31.46% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time) through on-market purchases, etc. In September 2009, ITOCHU acquired from Family Corporation all shares in the Former FamilyMart that were owned by Family Corporation (the number of shares was 29,941,200 shares (representing 31.46% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time)) in order to closely cooperate with the Former FamilyMart through a direct holding of the shares in the Former FamilyMart, and became the largest shareholder of the Former FamilyMart. As a result, as of September 2009, the total number of shares of the Former FamilyMart that were owned by ITOCHU and its subsidiaries was 30,022,508 shares (representing 31.55% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time). Subsequently, ITOCHU continued to acquire shares of the Target Company (which means the Former FamilyMart with respect to such shares as acquired before the Business Integration) mainly through on-market purchases (*2) and, as of today, ITOCHU holds 52,507,296 shares (Ownership Ratio: 41.50%) of the Target Company (*3) and the total number of shares owned by ITOCHU and its subsidiaries is 52,753,501 (Ownership Ratio: 41.69%). Based on the aforementioned capital relationship, ITOCHU and the Target Company have been strengthening their relationship through efforts to expand earnings in the CVS Business of the Target Company implementing a restructuring of its business flow with ITOCHU Group companies, and efforts to expand earnings in both products and logistics in the GMS Business, taking advantage of the operating foundation of the ITOCHU Group.

(Note *1) Family Corporation was a company established on March 31, 1988 as a subsidiary of Nishino Trading Co., Ltd. (hereinafter referred to as "Nishino Trading"), which was a consolidated subsidiary of ITOCHU at that time, and was running a logistics business relating to foods as well as the operation of distribution centers. Family

Corporation acquired 28,620,000 shares of the Former FamilyMart (such number of shares represents 29.74% of the total number of voting rights held by all shareholders in the Former FamilyMart at that time) from The Seiyu, Ltd. and its group companies in February 1998. On September 18, 2002, ITOCHU obtained certain numbers of shares in Family Corporation that were owned by Nishino Trading (such numbers were approximately 95% of the total numbers of issued shares of Family Corporation) and made Family Corporation its direct subsidiary. Family Corporation, since it acquired the shares in the Former FamilyMart in February 1998 as stated above, as a consolidated subsidiary of ITOCHU, was entrusted with logistics operations by the Former FamilyMart. However, it was dissolved in March 2011, upon the implementation of a absorption-type merger, whereby NIPPON ACCESS, INC., which was a consolidated subsidiary of ITOCHU, was a surviving company and Family Corporation was a dissolved company.

(Note *2) ITOCHU has acquired certain numbers of Target Company Shares through the on-market purchases during each period, from July 7, 2014 through December 19, 2014, from February 5, 2016 through May 24, 2016, from October 20, 2016 through May 25, 2017, from October 13, 2017 through February 6, 2018, and from February 7, 2018 through April 19, 2018. In addition to the acquisitions through the aforementioned on-market purchases, 964,896 Target Company Shares (Ownership Ratio as of November 2016: 0.76%) were allotted to ITOCHU as a shareholder of UNY Group Holdings upon the absorption-type merger pertaining to the Business Integration. The Ownership Ratio as of November 2016 means the ratio to the number of shares (126,643,807 shares) calculated by subtracting the number of treasury shares (68,506 shares) owned by the Target Company as of November 30, 2016, from the total number of issued shares of the Target Company (126,712,313 shares) as of the same date, both of which are stated in the Summary of Consolidated Financial Results (JGAAP) for the Third Quarter of the Fiscal Year ending February 2017 (Japanese Only), published by the Target Company on January 10, 2017.

(Note *3) At the time of the Business Integration, the Former FamilyMart changed its trade name to FamilyMart UNY Holdings Co., Ltd., which is the current trade name of the Target Company.

In the meantime, the retail industry in Japan has remained a difficult business environment in recent years, being affected by a shrinking market size due to the decline in the total population, the market becoming more harshly competitive with the increase in various business sectors such as an expansion of the e-commerce market, the continuing consumers' cost consciousness and labor shortages at stores and logistics, etc. In addition, consumers' needs are becoming increasingly diversified and the selectiveness of consumers is becoming increasingly intense.

The Target Company is driving the change and reform of the business areas in the GMS Business, promoted by a capital and business alliance with Don Quijote Holdings Co., Ltd. on August 31, 2017. Further, a change of brand for the CVS Business from "Circle K Sunkus" to "FamilyMart" is estimated to be completed in November 2018. However, in recent years, the business environment surrounding the Target Company has been changing at an accelerated pace under the abovementioned circumstances. In particular, since the competitiveness in the retail industry harshly increases as retailers extend beyond their core business areas, in order for the Target Company to achieve sustainable growth, it is necessary to promote a more highly streamlined operation, as well as to provide appealing products and services, grasping consumers' needs more accurately based on its customer base. At the same time, with respect to ITOCHU, the business model of trading companies is changing dramatically in the era of technological breakthroughs known as the fourth industrial revolution. ITOCHU strongly senses the necessity to innovate the conventional value chain in consumer related business, which is ITOCHU's forte, including the value chain of convenience stores. It is essential for ITOCHU, not to rely on the conventional business model of trading companies with a focus on B to B businesses, but to expand its contact points with consumers and salvage data from consumers to directly create new business opportunities.

In this environment, ITOCHU recognized that for the Target Company to achieve sustainable growth, it is essential to further strengthen the business foundation of the Target Company by having more sophisticated operations, including the enhancement of its product development capabilities, the building of a smooth logistics system, and the further streamlining of business flow. Then, in late February 2018, ITOCHU reached the conclusion that in order to accomplish the goals mentioned above, it is necessary for both companies to mutually complement the management resources and know-how of each other more closely, and make the best use of them by building a stronger and more integrated relationship between ITOCHU and the Target Company through making the Target Company a consolidated subsidiary of ITOCHU, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate. As a result, in late February 2018, ITOCHU reached out to the Target Company to discuss the plan to make the Target Company a consolidated subsidiary through a tender offer with a view to strengthening the collaboration between the two companies.

Subsequently, ITOCHU conducted due diligence on the Target Company from late March to early April 2018. In early April 2018, ITOCHU and the Target Company came to share the view that making the Target Company a consolidated subsidiary of ITOCHU would have the potential to facilitate the following efforts and effects, which could enhance the corporate value of the Target Company over the medium and long term, further strengthening the growth potential and profitability of the Target Company in a more integrated manner, and also would enhance the corporate value of the ITOCHU Group, bringing innovation to the conventional value chain in the consumer related sector, which is one of the business areas of the ITOCHU Group.

I. Strengthening the Business Foundation of the Target Company by Taking Advantage of the Comprehensive Capabilities of the ITOCHU Group

ITOCHU has been focusing on strengthening its business foundation in cooperation with the Target Company by actively utilizing the networks and resources of the ITOCHU Group. However, in order to address more speedily the intensifying competitive environment and the change in the business environment described above, ITOCHU believes that it is essential that the Target Company and the ITOCHU Group, by making the Target Company a consolidated subsidiary, not only rationalize the conventional procurement of raw materials, manufacturing and intermediary logistics in the convenience store business model, but also advance various efforts, such as the development and promotion of financial services, other services and information business, optimizing and streamlining of supply chains and cost savings using new technologies and next-generation technologies, and enhancement of overseas businesses including those on the Asian market with a great potential to grow further in a more integrated manner to innovate the business model targeting the next-generation. Particularly, with respect to the two approaches, i.e., the development of financial services (FinTech(*)) including electronic money, credit cards, point services and IDs, etc. and the strengthening of overseas businesses, requests from the Target Company to use the human resources of the ITOCHU Group, and to further enhance collaboration, etc. with the ITOCHU Group as well as its alliance partners and related parties, are increasing. This leads ITOCHU to believe that it is important to establish a framework whereby the ITOCHU Group will be able to accommodate such needs in a more mobilized and flexible manner by making the Target Company a consolidated subsidiary. Further, in the e-commerce retail business, ITOCHU will develop and build the basis for growth by synthesizing the comprehensive capabilities of the ITOCHU Group with a view to promoting the integration of reality and the Internet and the digitalization of value chains in the future, in order to provide products and services tailored to consumer needs by utilizing data and technologies.

II. Promotion of Business Development in the ITOCHU Group

ITOCHU believes that it would be possible to spread and horizontally expand a new business model across the entire ITOCHU Group by promoting a next-generation business model through the active introduction of new technologies and services of the ITOCHU Group, its alliance partners and related parties to the Target Company, which is the largest contact point with consumers in the ITOCHU Group. ITOCHU will build a common platform base by positioning the Target Company as the main pillar of the ITOCHU Group’s digital strategies.
Specifically, ITOCHU will achieve sophisticated marketing, optimized and streamlined manufacturing, storage and distribution, and efficient store operations, etc. of the Target Company by changing the conventional supply chain to the next generation model with the use of new technologies. Experience and knowledge obtained through such achievement will be applied to other business models of the ITOCHU Group.
The ITOCHU Group has certain promising information technology companies within the group, such as ITOCHU Techno-Solutions Corporation, which is expected to make contributions to up-to-date information technology, such as AI and IoT, and promising strategic partners in China and other Asian regions, such as CITIC Limited in China, which is developing a diversified business including financial services, and Charoen Pokphand Group Company Limited in Thailand, which has a strong position in the food business. Through the enhancement of collaboration among the domestic and overseas group companies and alliance partners, it will be possible to expand and promote the efforts to innovate the conventional business model with the use of new digital technologies, etc., not only in Japan, but also in China and across the Asian region with a great potential to grow further.

(Note*) FinTech means the creation of financial services making advanced use of information technology.

ITOCHU and the Target Company reached the conclusion that in order for the ITOCHU Group and the Target Company to enhance their corporate value by developing further synergies through realizing the efforts and effects above promptly, it is necessary for both companies to complement each other's management resources and knowhow more closely, and make best use of them by building a stronger and more integrated relationship between ITOCHU and the Target Company, through making the Target Company a consolidated subsidiary of ITOCHU, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate. Therefore, ITOCHU resolved at a meeting of its board of directors held on April 19, 2018 to implement the Tender Offer through the Tender Offeror in order to make the Target Company a consolidated subsidiary of ITOCHU.

Given that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and the applicable waiting periods thereunder have expired, the Tender Offeror confirmed that all the conditions for commencement of the Tender Offer had been satisfied and decided to commence the Tender Offer from July 17, 2018.

While the ITOCHU Group will continuously work on solving issues confronting the Target Company and developing a next generation business model in an integrated manner, ITOCHU's point of view that the essential parts of the retail business, such as store operations, should be managed by FamilyMart and UNY, which are "professionals of the retail business," and their independence of management should remain unaffected even after the completion of the Tender Offer, in light of ITOCHU's standpoint so far that "it is difficult to manage the essential parts of the retail business, such as store operations, by a trading company's way of thinking." The ITOCHU Group will, in order to support the daily store operations of the Target Company, promote innovation and efficiency in business operations by developing and realizing new functions and services utilizing the technologies in the financial businesses (FinTech) or in the information technology businesses through the best use, in close cooperation with the Target Company, of the management resources including its human resources, the close relationships with its alliance partners and clients, and the know-how gained through developing a diversified business to date. In addition, ITOCHU will manage financial indicators, etc. in compliance with targets on a company-wide basis and achieve the quantitative and qualitative effects associated with the Tender Offer over the medium term.

According to the Target Company Disclosure, the decision-making process and the reasons that led to the Target Company supporting the Tender Offer are as follows.
Since September 2009, when ITOCHU became the Target Company's largest shareholder, ITOCHU and the Target Company have been strengthening their relationship through efforts to expand earnings in the CVS Business of the Target Company implementing a restructuring of its business flow with ITOCHU Group companies, and efforts to expand earnings in both products and logistics in the GMS Business, taking advantage of the operating foundation of the ITOCHU Group. As a result, it has been recognized that, considering the business environment of the retail industry, which has been changing at an accelerated pace in recent years, in order for the Target Company to achieve sustainable growth, it is essential to further strengthen its business foundations by achieving sophisticated operations,

including the enhancement of its product development capabilities, the building of a smooth logistics system, and the further streamlining of business flow; and the Target Company has come to the view that for the abovementioned purpose, it is necessary for both companies to mutually complement the management resources and know-how of each other more closely, and make best use of them by building a stronger and more integrated relationship between ITOCHU and the Target Company through making the Target Company a consolidated subsidiary of ITOCHU, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate, which enables the making of efforts in a more integrated manner to further strengthen the growth potential and profitability of the Target Company and the boosting of the corporate value of the Target Company over the medium and long term.

Therefore, the Target Company made a resolution by unanimous vote at its board of directors meeting held on April 19, 2018 to express its opinion as of the same date to the effect that it will support the Tender Offer if it is commenced, on the condition that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and any applicable waiting periods thereunder have expired, and that the purchase price for the Tender Offer (hereinafter referred to as the “Tender Offer Price”) is reasonable in light of the content of a valuation or appraisal report concerning the equity value of the Target Company Shares, in the case where the Target Company obtains such valuation or appraisal report in connection with the Tender Offer after the publication of the Target Company’s disclosure entitled “Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation” dated April 19, 2018, in addition to the stock valuation report obtained by the Target Company on April 18, 2018 (such stock valuation report, hereinafter referred to as the “Target Company Stock Valuation Report Dated April 18, 2018”) from SMBC Nikko Securities Inc. (hereinafter referred to as “SMBC Nikko Securities”). In addition, it is noted that the Target Company resolved at the same board of directors meeting that decisions by the shareholders regarding whether to tender their shares in the Tender Offer would be left to the discretion of the Target Company’s shareholders, on the following grounds: that the Target Company and ITOCHU confirmed that the Target Company Shares would remain listed after completion of the Tender Offer and thus the Target Company Shares would remain listed, while the Tender Offer Price was deemed to be reasonable to a certain extent, considering that the Tender Offer Price exceeded the maximum price of the valuation range under the market price method in the Target Company Stock Valuation Report Dated April 18, 2018 obtained from SMBC Nikko Securities and was within the valuation range under the Discounted Cash Flow Method (hereinafter referred to as the “DCF Method”) in the Target Company Stock Valuation Report Dated April 18, 2018, and the Tender Offer Price was the price which represented a premium of 9.78% (rounded to two decimal places; hereinafter the same applies to stock price premiums and discounts (%)) to 10,020 yen, the closing price of the Target Company Shares in the First Section of the TSE on April 18, 2018 (the immediately preceding business day of the release date of the Tender Offer); and that it was considered to be a sufficiently reasonable option for the shareholders of the Target Company to continue to hold their Target Company Shares after the Tender Offer since a certain maximum number of shares to be purchased would apply to the Tender Offer. Furthermore, since the Tender Offer will be commenced subject to certain conditions as stated above, and it will take some time for commencement, the board of directors of the Target Company will make another resolution to express its opinion concerning the Tender Offer at the time of commencement thereof upon confirmation that the conditions to express its opinion to the effect that it will support the Tender Offer as described above are satisfied.

After that, the procedures and steps required for the Tender Offer under the competition laws of Japan and the relevant foreign countries have been completed and the applicable waiting periods thereunder have expired. As nearly three months have passed since the disclosure made on April 19, 2018 entitled "Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation," and thus upon the commencement of the Tender Offer it is necessary to consider changes in the market environment during the period, the Target Company decided to acquire again a stock valuation report dated July 12, 2018 (hereinafter referred to as the "Target Company Stock Valuation Report Dated July 12, 2018") from SMBC Nikko Securities in order to judge again the reasonability of the Tender Offer Price.

As a result of further deliberation of the Tender Offer, the Target Company once again made a resolution by its board of directors today (a) to support the Tender Offer for the following reasons: all of the conditions to support the Tender Offer as described above were satisfied, considering that, though it fell below the lower limit of the valuation range under the market price method in the Target Company Stock Valuation Report Dated July 12, 2018, the Tender Offer Price was within the valuation range under the DCF Method in the said report, and thus would be reasonable to a certain extent in light of such valuation results; and that, after taking into consideration the changes in the market environment, etc. after the board of directors meeting of the Target Company held on April 19, 2018, it was still considered that there were no factors that would change its decision regarding the Tender Offer and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Target Company Shares will remain listed even after the Tender Offer.

For the abovementioned decision-making process of the Target Company's board of directors, please also refer to the Target Company Disclosure and "(iv) Approval of All Directors and Non-objection of All Corporate Auditors of the Target Company" in "(4) Measures to Ensure the Fairness of Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below.

(ii) Management Policy After the Tender Offer

The Tender Offeror and ITOCHU intend to strengthen collaboration with the Target Company while keeping the Target Company listed and its independence of management even after the Tender Offer. Regarding the management structure and members of the board of directors after the Tender Offer (including the dispatch of officers or other personnel matters), no decision has been made at present. ITOCHU and the Target Company will discuss after the Tender Offer, with the aim of building an appropriate governance structure that respects the independence of the Target Company as a listed company and a framework that enables the maximized synergies of the ITOCHU Group.

(3) Matters Concerning Material Agreements Related to the Tender Offer

There are no applicable matters; no agreements between the Tender Offeror or ITOCHU and any shareholder of the Target Company concerning tendering shares in the Tender Offer have been made.

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

Given that the Target Company is not a consolidated subsidiary of ITOCHU as of April 19, 2018 when the decision to conduct the Tender Offer was made and as of today, and that an entity who is not a controlling shareholder of the Target Company is the Tender Offeror, the Tender Offer is not classified as a tender offer by a controlling shareholder. However, given that ITOCHU, the wholly-owning parent company of the Tender Offeror, owns 52,507,296 Target Company Shares (Ownership Ratio: 41.50%) as of today, and has made the Target Company its equity-method affiliate, and that Mr. Koji Takayanagi, Mr. Isamu Nakayama and Mr. Kunihiro Nakade, Mr. Isao Kubo, Mr. Hiroaki Tamamaki, among the thirteen directors of the Target Company as of today, and Mr. Yasuhiro Baba, an outside corporate auditor of the Target Company as of today, are originally from ITOCHU and left ITOCHU less than ten years ago, ITOCHU and the Target Company have been cautious and taken the measures described below to ensure the fairness of the Tender Offer and avoid conflicts of interest, despite the fact that it is not believed necessary to exclude those who are originally from ITOCHU from deliberation or resolutions by the Target Company's board of directors in relation to the Tender Offer or discussion with ITOCHU about the Tender Offer out of any concern of a conflict of interest in relation to the Tender Offer. The following description regarding the measures taken by the Target Company is based on the explanation by the Target Company.

(i) Obtaining a Stock Valuation Report from an Independent Third-party Valuation Firm by ITOCHU Corporation

To ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities Co., Ltd. (hereinafter referred to as "Nomura Securities"), a financial advisor of ITOCHU, calculate the equity value of the Target Company Shares as a third-party valuation firm independent from the Tender Offeror, ITOCHU and the Target Company in determining the Tender Offer Price. Nomura Securities is not a related party of the Tender Offeror, ITOCHU or the Target Company and does not have any significant interest in the Tender Offer. ITOCHU has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

Nomura Securities calculated the equity value of the Target Company Shares using the average market price method, the comparable company comparison method and the DCF Method, and ITOCHU received a stock valuation report (hereinafter referred to as the "Tender Offeror Stock Valuation Report") from Nomura Securities on April 19, 2018.

For an outline of the Tender Offeror Stock Valuation Report, please refer to "(4) Basis for Calculation of the Tender Offer Price, "(i) Basis for Calculation" in "3. Outline of the Tender Offer" below.

(ii) Obtaining a Stock Valuation Report from an Independent Third-party Valuation Firm by the Target Company

According to the Target Company Disclosure, the Target Company requested that SMBC Nikko Securities, a financial advisor, as a third-party valuation firm independent from the Target Company, the Tender Offeror and ITOCHU, calculate the equity value of the Target Company Shares in order to ensure the fairness of the Tender Offer Price by eliminating arbitrariness from the decision-making process of the Target Company concerning the Tender Offer Price, offered by ITOCHU, and received the Target Company Stock Valuation Report Dated April 18, 2018 and the Target Company Stock Valuation Report Dated July 12, 2018. SMBC Nikko Securities is not a related party of the Target Company, the Tender Offeror or ITOCHU and does not have any significant interest in the Tender Offer.

As per the Target Company's request, SMBC Nikko Securities has been disclosed the current condition of the Target Company's business and future business plans, etc. and has received an explanation thereof, and calculated the equity value of the Target Company Shares based on such information. The Target Company has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) on the Tender Offer Price from SMBC Nikko Securities.

Upon the Target Company expressing its opinion regarding the planned commencement of the Tender Offer on April 19, 2018, SMBC Nikko Securities calculated the equity value of the Target Company Shares using the market price method and the DCF Method on the assumption that the Target Company is a going concern, as a result of considering calculation methods to be applied among several methods to evaluate the equity value, with the view that the equity value of the Target Company Shares should be evaluated from multi-viewpoints after reviewing the financial condition of the Target Company and trends in the market price of Target Company Shares; then the Target Company received the Target Company Stock Valuation Report Dated April 18, 2018 from SMBC Nikko Securities.

It is noted that according to the Target Company Stock Valuation Report Dated April 18, 2018, the selected methods and the ranges of the per-share-value of the Target Company Shares calculated using such methods are as follows:

Market price method:	8,216 yen to 9,013 yen
DCF Method:	8,058 yen to 12,935 yen

It is noted that the analysis under the market price method demonstrates that the range of the per-share-value of the Target Company Shares is between 8,216 yen and 9,013 yen, on the basis that a simple average of the closing prices of Target Company Shares on the First Section of the TSE in the previous month was 9,013 yen (rounded to the nearest whole number; hereinafter the same applies to the calculations of simple averages of the closing prices), and a simple average of the closing prices in the previous three months was 8,216 yen, having April 18, 2018, as the record date.

It is also noted that the analysis under the DCF Method demonstrates that the range of the per-share-value of the Target Company Shares is between 8,058 yen and 12,935 yen, as a result of analyzing the corporate value and the equity value of the Target Company by discounting the free cash flow that is expected to be generated by the Target Company in or after the fiscal year ending February 2019 with a certain discount rate, based on various factors such as revenues and investment plans in the business plan of the Target Company from the fiscal year ending February 2019 through the fiscal year ending February 2021 and information publicly available. It is further noted that the abovementioned business plan, which was the basis for the DCF Method calculation, contains a fiscal year where a significant increase in earnings is expected. Specifically, operating income in the fiscal year ending February 2019 is expected to increase by 144.9% from the previous fiscal year since certain expenses (closure cost and impairment cost) are expected to decrease by approximately 34.3 billion yen compared to the actual amount of corresponding expenses in the fiscal year ended February 2018.

Further, upon the Target Company expressing its opinion regarding the commencement of the Tender Offer as of today, SMBC Nikko Securities calculated the equity value of the Target Company Shares using the market price method and the DCF Method on the assumption that the Target Company is a going concern, as a result of considering calculation methods to be applied among several methods to evaluate the equity value, with the view that the equity value of the Target Company Shares should be evaluated from multi-viewpoints after reviewing the financial condition of the Target Company and trends in the market price of Target Company Shares; then the Target Company received the Target Company Stock Valuation Report Dated July 12, 2018 from SMBC Nikko Securities.

It is noted that according to the Target Company Stock Valuation Report Dated July 12, 2018, the selected methods and the ranges of the per-share-value of the Target Company Shares calculated using such methods are as follows:

Market price method:	11,251 yen to 11,770 yen
DCF Method:	8,038 yen to 12,931 yen

It is noted that the analysis under the market price method demonstrates that the range of the per-share-value of the Target Company Shares is between 11,251 yen and 11,770 yen, on the basis that a simple average of the closing prices of Target Company Shares on the First Section of the TSE in the previous month was 11,770 yen, and a simple average of the closing prices in the previous three months was 11,251 yen, having July 12, 2018, as the record date.

It is also noted that the analysis under the DCF Method demonstrates that the range of the per-share-value of the Target Company Shares is between 8,038 yen and 12,931 yen, as a result of analyzing the corporate value and the equity value of the Target Company by discounting the free cash flow to the present value that is expected to be generated by the Target Company in or after the fiscal year ending February 2019 with a certain discount rate, based on various factors such as revenues and investment plans in the business plan of the Target Company from the fiscal year ending February 2019 through the fiscal year ending February 2021 and information publicly available. It is further noted that the abovementioned business plan, which was the basis for the DCF Method calculation, was the same business plan as that used in the Target Company Stock Valuation Report Dated April 18, 2018.

(iii) Advice from an Outside Law Firm to the Target Company

According to the Target Company Disclosure, in order to ensure the transparency and fairness of the decision-making process, etc. of the board of directors of the Target Company concerning the Tender Offer, the Target Company has appointed Mori Hamada & Matsumoto as outside legal counsel and received legal advice from the law firm regarding the decision-making process, methods and other notes with respect to the board of directors of the Target Company concerning the Tender Offer.

(iv) Approval of All Directors and Non-objection of All Corporate Auditors of the Target Company

According to the Target Company Disclosure, the Target Company carefully discussed and examined the Tender Offer based on the information in the Target Company Stock Valuation Report Dated April 18, 2018 obtained from SMBC Nikko Securities and the legal advice from Mori Hamada & Matsumoto.
As a result, it has been recognized that, considering the business environment of the retail industry, which has been changing at an accelerated pace in recent years, in order for the Target Company to achieve sustainable growth, it is essential to further strengthen its business foundation by achieving sophisticated operations, including the enhancement of its product development capabilities, the building of a smooth logistics system, and the further streamlining of business flow; and the Target Company has come to the view that for the abovementioned purpose, it is necessary for both companies to mutually complement the management resources and know-how of each other more closely, and make the best use of them by building a stronger and more integrated relationship between ITOCHU and the Target Company through making the Target Company a consolidated subsidiary of ITOCHU, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate, which enables the making of efforts in a more integrated manner to further strengthen the growth potential and profitability of the Target Company and boost the corporate value of the Target Company over the medium and long term.
Therefore, the Target Company made a resolution by unanimous vote at its board of directors meeting held on April 19, 2018 to express its opinion as of the same date to the effect that it will support the Tender Offer if it is commenced, on the condition that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and any applicable waiting periods thereunder have expired, and that the Tender Offer Price is reasonable in light of the content of a valuation or appraisal report concerning the equity value of the Target Company Shares, in the case where the Target Company obtains such valuation or appraisal report after the publication of the Target Company's disclosure entitled "Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation" dated April 19, 2018 in connection with the Tender Offer, in addition to the Target Company Stock Valuation Report Dated April 18, 2018. In addition, it is noted that the Target Company resolved at the same board of directors meeting that decisions by the shareholders regarding whether to tender their shares in the Tender Offer would be left to the discretion of the Target Company's shareholders, on the following grounds: that the Target Company and ITOCHU confirmed that the Target Company Shares would remain listed after completion of the Tender Offer and thus the Target Company Shares would remain listed, while the Tender Offer Price was deemed to be reasonable to a certain extent, considering that the Tender Offer Price exceeded the maximum price of the valuation range under the market price method in the Target

Company Stock Valuation Report Dated April 18, 2018 obtained from SMBC Nikko Securities and was within the valuation range under the DCF Method in the Target Company Stock Valuation Report Dated April 18, 2018, and the Tender Offer Price was the price which represented a premium of 9.78% to 10,020 yen, the closing price of the Target Company Shares in the First Section of the TSE on April 18, 2018 (the immediately preceding day of the release date of the Tender Offer); and that it was considered to be a sufficiently reasonable option for the shareholders of the Target Company to continue to hold their Target Company Shares after the Tender Offer since a certain maximum number of shares to be purchased would apply to the Tender Offer. Furthermore, since the Tender Offer will be commenced subject to certain conditions as stated above, and it will take some time for commencement, the board of directors of the Target Company will make another resolution to express its opinion concerning the Tender Offer at the time of commencement thereof upon confirmation that the conditions to express its opinion to the effect that it will support the Tender Offer as described above are satisfied.
The resolutions of the board of directors described above were unanimously approved with all of the ten then-directors (including two outside directors) of the Target Company having participated. In addition, all of the five then-corporate auditors of the Target Company (including four outside corporate auditors) attended the same board of directors meeting and stated that they had no objection to the resolutions described above.

And now, as a result of further deliberation of the Tender Offer, the Target Company once again made a resolution by its board of directors today (a) to support the Tender Offer for the following reasons: all of the conditions to support the Tender Offer (for details, please see the Target Company Disclosure and "(i) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer" in "(2) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer; Management Policies after the Tender Offer" above) were satisfied; and that, after taking into consideration the changes in the market environment, etc. after the board of directors meeting of the Target Company held on April 19, 2018, it was still considered that there were no factors that would change its decision regarding the Tender Offer and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Target Company Shares will remain listed even after the Tender Offer. The resolutions of the board of directors described above were unanimously approved by all of the thirteen directors (including two outside directors) of the Target Company. In addition, all of the five corporate auditors of the Target Company (including four outside corporate auditors) stated that they had no objection to the resolutions described above.

(5) Schedule for Additional Acquisition of Share Certificates, etc. After the Tender Offer

As stated above, through the Tender Offer, ITOCHU plans to hold, together with the voting rights pertaining to the Target Company Shares held by the Tender Offeror, the majority of the number of voting rights held by all shareholders of the Target Company and make the Target Company a consolidated subsidiary of ITOCHU. Although, in the case where ITOCHU fails to achieve such purpose, ITOCHU intends to additionally purchase certain Target Company Shares through on-market purchases or by other means giving consideration to the market trends to the extent deemed reasonably necessary to make the Target Company its consolidated subsidiary.

(6) Likelihood of Delisting and Reasons Therefor

The Target Company Shares are listed on the First Section of the TSE and the First Section of the NSE as of today and are not intended to be delisted through the Tender Offer. ITOCHU will conduct the Tender Offer with the maximum number of shares to be purchased being 10,880,400 shares (*) (together with the Target Company Shares held by ITOCHU as of today: 63,387,696 shares; Ownership Ratio: 50.10%). Therefore, the Target Company Shares will remain listed on the TSE and the NSE after completion of the Tender Offer.

(Note*) The maximum number of shares to be purchased (10,880,400 shares) is equal to (i) 63,387,696 shares (which number of shares represents 50.10% of the number of shares (126,532,743 shares), which is calculated by subtracting the number of treasury shares held by the Target Company as of May 31, 2018 (179,570 shares), from the total number of issued shares of the Target Company as of the same date (126,712,313 shares), as stated in the Target Company's Summary of First-Quarter Financial Results, minus (ii) the number of Target Company Shares (52,507,296 shares) held by ITOCHU as of today.

3. Outline of the Tender Offer

(1) Outline of the Target Company

(i)	Name	FamilyMart UNY Holdings Co., Ltd.	
(ii)	Location	3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo	
(iii)	Name and Title of Representative	Koji Takayanagi, Representative Director and President	
(iv)	Description of Business Activities	A holding company for operators of general merchandise stores and convenience stores, etc.	
(v)	Capital	16,658 million yen	
(vi)	Date of Establishment	September 1, 1981	
(vii)	Major Shareholders and Ownership Percentages (as of February 28, 2018)	ITOCHU Corporation (Note)	39.62%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	14.31%
		Japan Trustee Services Bank, Ltd. (Trust Account)	7.20%
		NTT DOCOMO, INC.	2.31%
		Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	2.01%
		Nippon Life Insurance Company (standing proxy: The Master Trust Bank of Japan, Ltd.)	1.98%
		STATE STREET BANK WEST CLIENT – TREATY 505234 (standing proxy: Settlement Sales Dept., Mizuho Bank, Ltd.)	1.49%
		BNP Paribas Securities (Japan) Limited	1.32%
		FamilyMart Business Partner Shareholding Association	1.09%
		Japan Trustee Services Bank, Ltd. (Trust Account	0.94%

<table>
<tr><td colspan="2"></td><td>5)</td></tr>
<tr><td>(viii)</td><td colspan="2">Relationship between the Listed Companies and the Target Company</td></tr>
<tr><td rowspan="4"></td><td>Capital Relationship</td><td>As of today, ITOCHU, which is the wholly-owning parent company of the Tender Offeror, holds 52,507,296 Target Company Shares (Ownership Ratio 41.50%).</td></tr>
<tr><td>Personnel Relationship</td><td>Five directors and one corporate auditor of the Target Company are originally from ITOCHU, which is the wholly-owning parent company of the Tender Offeror. As of today, 40 employees of ITOCHU are seconded to the Target Company group.</td></tr>
<tr><td>Business Relationship</td><td>There are transactions concerning the sales of merchandise, etc. between ITOCHU, which is the wholly-owning parent company of the Tender Offeror, and the Target Company group.</td></tr>
<tr><td>Status as Related Parties</td><td>The Target Company is an equity-method affiliate of ITOCHU, which is the wholly-owning parent company of the Tender Offeror.</td></tr>
</table>

(Note) This represents the actual number of shares held by ITOCHU as of February 28, 2018, including 282,500 shares that were purchased from February 26, 2018 to February 28, 2018, which was stated in the Large Shareholding Report (Change Report) that became publicly available as of March 8, 2018.

(2) Schedule, Etc.

(i) Schedule

Date of Public Notice for Commencement of Tender Offer	July 17, 2018 (Tuesday) Electronic public notice is issued and the notice to that effect is posted in the Nihon Keizai Shimbun (Japanese Only). (URL of electronic public notice: http://disclosure.edinet-fsa.go.jp/)
Submission Date of Tender Offer Registration Statement	July 17, 2018 (Tuesday)

(ii) Tender Offer Period Originally Specified in the Registration Statement

From July 17, 2018 (Tuesday) to August 16, 2018 (Thursday) (23 business days)

(iii) Possibility of Extension Upon Request of the Target Company

In accordance with the provisions of Article 27-10, paragraph 3 of the Act, if the Target Company files a Position Statement requesting to extend the Tender Offer period (hereinafter referred to as the “Tender Offer Period”), the Tender Offer Period will be changed to 30 business days and will end on August 27, 2018 (Monday).

(3) Tender Offer Price

11,000 yen per common share

(4) Basis for Calculation of the Tender Offer Price

(i) Basis for Calculation

In March 2018, when determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities, a financial advisor of ITOCHU, as a third-party valuation firm independent from the Tender Offeror, ITOCHU and the Target Company, calculate the equity value of the Target Company Shares.

After reviewing the financial condition of the Target Company and trends in the market price of Target Company Shares, Nomura Securities reached the view that the equity value of the Target Company Shares should be evaluated from multi-viewpoints. As a result of considering calculation methods to be applied among several methods to evaluate the equity value, Nomura Securities calculated the equity value of the Target Company Shares using the average market price method, comparable company comparison method and the DCF Method on the assumption that the Target Company is a going concern, and ITOCHU has received the Tender Offeror Stock Valuation Report from Nomura Securities on April 19, 2018. Nomura Securities is not a related party of the Tender Offeror, ITOCHU or the Target Company and does not have any significant interest in the Tender Offer. ITOCHU has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

The ranges of the per-share-value of the Target Company Shares calculated by Nomura Securities using each of the above methods are as follows:

Average market price method:	7,723 yen to 10,020 yen
Comparable company comparison method:	3,029 yen to 11,084 yen
DCF Method:	6,704 yen to 13,876 yen

The analysis under the average market price method demonstrates that the range of the per-share-value of the Target Company Shares is between 7,723 yen and 10,020 yen, on the basis that the closing price of Target Company Shares on the record date was 10,020 yen; a simple average of the closing prices of Target Company Shares in the previous five days was 9,508 yen; a simple average of the closing prices of Target Company Shares in the previous month was 9,013 yen; a simple average of the closing prices in the previous three months was 8,216 yen; and a simple average of the closing prices in the previous six months was 7,723 yen, all of which prices are those on the First Section of the TSE having April 18, 2018 as the record date.

Under the comparable company comparison method, through comparison with the market prices and financial indicators showing profitability of listed companies that engage in businesses comparatively similar to those of the Target Company. The analysis under the comparable company comparison method demonstrates that the range of the per-share-value of the Target Company Shares is between 3,029 yen and 11,084 yen.

The analysis under the DCF Method demonstrates that the range of the per-share-value of the Target Company Shares is between 6,704 yen and 13,876 yen, as a result of analyzing the corporate value and the equity value of the Target Company by discounting the free cash flow that is expected to be generated by the Target Company in the future with a certain discount rate, based on the estimated revenue of the Target Company from the fiscal year ending February 2019, taking into consideration a business plan from the fiscal year ending February 2019 through the fiscal year ending February 2021, which has been provided by the Target Company to, and confirmed by, ITOCHU, recent trends in the business performance, information publicly available and other factors.

Based on the calculation details and results stated in the Tender Offeror Stock Valuation Report, and taking comprehensively into account the results of the due diligence of the Target Company, whether or not the board of directors of the Target Company supports the Tender Offer, trends in the market price of the Target Company Share, the premiums added in share pricing in past cases of tender offers for share certificates, etc. by parties other than issuers, and the outlook for the applications for the Tender Offer, ITOCHU decided on April 19, 2018 that the Tender Offer Price would be 11,000 yen. Subsequently, ITOCHU confirmed that there had been no significant changes in the business conditions of the Target Company and the environment surrounding this transaction and today decided not to change the Tender Offer Price.

While the Tender Offer Price is discounted by 3.00% from 11,340 yen, the closing price of the Target Company Shares on the First Section of the TES on July 12, 2018, which is the business day immediately prior to today, the Tender Offer Price is the amount obtained by adding a premium of 9.78% to 10,020 yen, which is the closing price of Target Company Shares on the First Section of the TSE on April 18, 2018, the business day immediately prior to the announcement of the Tender Offer, 22.05% to 9,013 yen, which is the simple average closing price of the month prior to the same date, 33.89% to 8,216 yen, which is the simple average closing price of the three months prior to the same date, and 42.43% to 7,723 yen, which is the simple average closing price of the six months prior to the same date, respectively.
ITOCHU acquired 3,879,600 Target Company Shares through on-market purchases at the price of 7,080 yen - 10,000 yen per share from February 7, 2018 through April 19, 2018. Although such acquisition prices were lower than the Tender Offer Price by 1,000 yen - 3,920 yen, such acquisition was an on-market transaction, which made the acquisition prices different from the Tender Offer Price to which a premium is added.

(ii) Background of Calculation

(Process of Determining the Tender Offer Price)
Since Family Corporation, which was a consolidated subsidiary of ITOCHU, acquired shares of the Former FamilyMart in February 1998, whereby Family Corporation became the largest shareholder of the Former FamilyMart and the Former FamilyMart became an equity-method affiliate of ITOCHU, ITOCHU has been proactively working with the Former FamilyMart (meaning the Target Company after the Business Integration) in various areas. However, the retail industry in Japan has remained a difficult business environment in recent years, being affected by a shrinking market size due to the decline in the total population, the market becoming more harshly competitive with the increase in various business such as an expansion of the e-commerce market.

In this environment, ITOCHU recognized that for the Target Company to achieve sustainable growth, it is essential to further strengthen the business foundation of the Target Company by having more sophisticated operations, including the enhancement of its product development capabilities, the building of a smooth logistics system, and the further streamlining of business flow. Then, in late February 2018, ITOCHU reached the conclusion that in order to accomplish the goals mentioned above, it is necessary for both companies to mutually complement the management resources and know-how of each other more closely, and make the best use of them by building a stronger and more integrated relationship between ITOCHU and the Target Company through making the Target Company a consolidated subsidiary of ITOCHU, going beyond the support provided on an individual basis under the current relationship of an equity-method affiliate. As a result, in late February 2018, ITOCHU reached out to the Target Company to discuss the plan to make the Target Company a consolidated subsidiary through a tender offer with a view to strengthening the collaboration between the two companies.

When ITOCHU suggested that the Target Company hold such discussions, in late February 2018, ITOCHU appointed Nomura Securities as a financial advisor and third-party valuation firm independent from the Tender Offeror, ITOCHU and the Target Company, and Nishimura & Asahi as legal advisor, while the Target Company appointed SMBC Nikko Securities as a third-party valuation firm independent from the Tender Offeror, ITOCHU and the Target Company, and Mori Hamada & Matsumoto as legal advisor, respectively, in order to establish a structure for the consultation and negotiation of the Tender Offer.

Subsequently, ITOCHU conducted due diligence on the Target Company from late March to early April 2018. In early April 2018, ITOCHU and the Target Company came to share the view that making the Target Company a consolidated subsidiary of ITOCHU would have the potential to enhance the corporate value of the Target Company over the medium and long term, further strengthening the growth potential and profitability of the Target Company in a more integrated manner, and also would enhance the corporate value of the ITOCHU Group, since this will bring innovation to the conventional value chain in the daily consumables sector, which is one of the business areas of the ITOCHU Group. After that, on April 5, 2018, ITOCHU made a proposal to the Target Company for the outline of the conditions of the Tender Offer, including the Tender Offer Price of 11,000 yen. Then, ITOCHU, at the board of directors meeting held on April 19, 2018, decided to implement the Tender Offer for the purpose of making the Target Company a consolidated subsidiary, and determined the Tender Offer Price of 11,000 yen against the backgrounds described below.

(a) Name of the Third Party from Whom ITOCHU Asked an Opinion for Calculation

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities, a financial advisor of ITOCHU, as a third-party valuation firm independent from the Tender Offeror, ITOCHU and the Target Company, calculate the equity value of the Target Company Shares.

(b) Outline of the Opinion

Nomura Securities calculated the equity value of the Target Company Shares using the average market price method, comparable company comparison method, and DCF Method, and the following are the ranges of the per-share-value of the Target Company Shares calculated using each of these methods.

Average market price method:	7,723 yen - 10,020 yen
Comparable company comparison method:	3,029 yen - 11,084 yen
DCF Method:	6,704 yen - 13,876 yen

(c) Process of Determination of the Tender Offer Price With the Opinion in Mind

Based on the calculation details and results stated in the Tender Offeror Stock Valuation Report, and taking comprehensively into account the results of the due diligence of the Target Company, whether or not the board of directors of the Target Company supports the Tender Offer, trends in the market price of the Target Company Share, the premiums added in share pricing in the past cases of tender offers for share certificates, etc. by parties other than issuers, and the outlook for the applications for the Tender Offer, ITOCHU determined at its board of directors meeting held on April 19, 2018 the Tender Offer Price of 11,000 yen. For details, please refer to "(i) Basis for Calculation" above. Subsequently, ITOCHU confirmed that there had been no significant changes in the business conditions of the Target Company and the environment surrounding this transaction and today decided not to change the Tender Offer Price.

(iii) Relationship with the Valuation Firm

Nomura Securities, the financial advisor (valuation firm) of ITOCHU, is not a related party of the Tender Offeror, ITOCHU or the Target Company and does not have a significant interest in the Tender Offer.

(5) Number of Share Certificates, etc. Scheduled to Be Purchased

Number of Shares to Be Purchased	Lower Limit of Shares to Be Purchased	Maximum Number of Shares to Be Purchased
10,880,400 shares	–	10,880,400 shares

(Note 1) If the total number of Tendered Share Certificates is equal to or less than the maximum number of shares to be purchased through the Tender Offer (10,880,400 shares), all of the Tendered Share Certificates will be purchased. On the other hand, if the total number of Tendered Share Certificates exceeds the maximum number of shares to be purchased through the Tender Offer (10,880,400 shares), none of the excess shares will be purchased; and delivery and other settlement with respect to the purchase of share certificates, etc. will be handled on a proportionate basis, which is provided for in Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance.

(Note 2) Shares of less than one unit are also subject to the Tender Offer. If shareholders exercise their right to request that the Target Company repurchase its shares of less than one unit in accordance with the Companies Act (Act No. 86 of 2005, as amended), the Target Company may purchase such shares during the Tender Offer Period pursuant to the procedures under laws and regulations.

(Note 3) The treasury shares held by the Target Company will not be purchased through the Tender Offer.

(6) Changes in the Ownership Ratio of Share Certificates, etc. as a Result of the Purchase

Number of Voting Rights Pertaining to Share Certificates, etc. Owned by the Tender Offeror Before the Purchase	—	(Ownership Ratio of Share Certificates, etc. Before the Purchase) —
Number of Voting Rights Pertaining to Share Certificates, etc. Owned by Special Related Parties Before the Purchase	525,072 voting rights	(Ownership Ratio of Share Certificates, etc. Before the Purchase) 41.50%
Number of Voting Rights Pertaining to Share Certificates, etc. Owned by the Tender Offeror After the Purchase	108,804 voting rights	(Ownership Ratio of Share Certificates, etc. After the Purchase) 8.60%
Number of Voting Rights Pertaining to Share Certificates, etc. Owned by Special Related Parties After the Purchase	525,072 voting rights	(Ownership Ratio of Share Certificates, etc. After the Purchase) 41.50%
Number of Voting Rights of All Shareholders of the Target Company	1,260,060 voting rights	

(Note 1) The "Number of Voting Rights Pertaining to Share Certificates, etc. Owned by Special Related Parties Before the Purchase" and the "Number of Voting Rights Pertaining to Share Certificates, etc. Owned by Special Related Parties After the Purchase" indicate the total number of voting rights of share certificates, etc. owned by special related parties, respectively.

(Note 2) The "Number of Voting Rights of All Shareholders of the Target Company" indicates the total number of voting rights held by all the shareholders as of May 31, 2018 as stated in the 38th FY First Quarter Securities Report that the Target Company submitted on July 13, 2018 (given that the number of shares of 1 unit is 100 shares). However, because the fraction of shares is also subject to the Tender Offer, in the calculations of the "Ownership Ratio of Share Certificates, etc. Before the Purchase" and the "Ownership Ratio of Share Certificates, etc. After the Purchase," the denominator is the number of voting rights (1,265,327 voting rights) of the number of shares (126,532,743) calculated by deducting the number of treasury shares owned by the Target Company as of May 31, 2018 (179,570 shares) from the total number of issued shares as of the same date (126,712,313 shares) as stated in the Target Company's Summary of First-Quarter Financial Results.

(Note 3) The "Ownership Ratio of Share Certificates, etc. Before the Purchase" and the "Ownership Ratio of Share Certificates After the Purchase" have been rounded to two decimal places.

(7) Purchase Price 119,684,400,000 yen

(Note) The purchase price has been calculated by multiplying the number of shares to be purchased (10,880,400 shares) by the Tender Offer Price (11,000 yen).

(8) Method of Settlement

(a) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank, etc. that Settles the Purchase

Nomura Securities Co., Ltd. 1-9-1, Nihonbashi, Chuo-ku, Tokyo

(b) Commencement Date of Settlement

August 23, 2018 (Thursday)

(Note) In accordance with Article 27-10, paragraph 3 of the Act, if the Target Company files a Position Statement requesting to extend the Tender Offer Period, the commencement date of settlement will be September 3, 2018 (Monday).

(c) Method of Settlement

After the expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the address of the tendering shareholders (or the standing proxy in the case of non-Japanese shareholders) without delay.
The purchase is made for cash. After the commencement date of settlement, the tendering shareholders may receive the purchase price for the Tender Offer without delay in a manner that they designate, such as remittance. (Remittance fees may be charged.)

(d) Method of Returning Share Certificates, etc.

If it is decided that all or part of the Tendered Share Certificates are not purchased pursuant to the conditions stated in "(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act" and "(ii) Conditions of Withdrawal, etc. of Tender Offer, the Details Thereof and the Method of Disclosure of Withdrawal, etc." in "(9) Other Conditions and Procedures of the Tender Offer" below, the share certificates, etc. to be returned are returned promptly after two business days following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the day when the withdrawal was made) by restoring such share certificates, etc. to the state immediately before the tender application on the tendering shareholders' accounts at the Tender Offer Agent. (If a tendering shareholder wishes to transfer is share certificates, etc. to the account of the tendering shareholder held at the other financial instruments business operator, etc., please contact the head office or a branch office of the Tender Offer Agent that accepted the tender application.)

(9) Other Conditions and Procedures of the Tender Offer

(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details Thereof

If the total number of Tendered Share Certificates is equal to or less than the maximum number of shares to be purchased (10,880,400 shares), all the Tendered Share Certificates will be purchased.
If the total number of Tendered Share Certificates exceeds the maximum number of shares to be purchased (10,880,400 shares), all or part of that excess amount will not be purchased; and delivery and other settlement with respect to the purchase of share certificates, etc. will be handled on a proportionate basis as provided in Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance. (If each number of Tendered Share Certificates contains fractional shares of less than one unit (100 shares), the number of shares to be purchased that is calculated on a proportionate basis will be limited to the number of Tendered Share Certificates.)
If the total number of shares to be purchased from each tendering shareholder, which is obtained by rounding off amounts of less than one unit resulting from the calculation on a proportionate basis, is less than the maximum number of shares to be purchased, one more unit of Tendered Share Certificates (or up to the number of Tendered Share Certificates in the case where purchasing one unit causes an excess of the number of Tendered Share Certificates) will be purchased from each tendering shareholder in descending order beginning with the tendering shareholder who owns the greatest number of rounded-off shares until the total number of shares purchased is equal to or greater than the maximum number of shares to be purchased. However, if purchases from all the tendering shareholders who own an equal number of rounded-off shares by this method causes an excess of the maximum number of shares to be purchased, a lottery will be used to decide from which shareholder the shares will be purchased among the relevant tendering shareholders within a range where the resultant total number of shares purchased is equal to or greater than the maximum number of shares to be purchased.
If the total number of shares to be purchased from each tendering shareholder, which is obtained by rounding off amounts of less than one unit resulting from the calculation on a proportionate basis, exceeds the maximum number of shares to be purchased, one unit of shares (or a portion of shares of less than one unit if the number of shares to be purchased that was calculated on a proportionate basis has such a portion) will be decreased from the number of shares to be purchased from each tendering shareholder in descending order beginning with the tendering shareholder who owns the greatest number of rounded-up shares until the total number of shares to be purchased is equal to or greater than the maximum number of shares to be purchased. However, if decreases from all the tendering shareholders who own an equal number of rounded-up shares causes the number to fall below the maximum number of shares to be purchased, a lottery will be used to decide from which shareholder the number of shares to be purchased will be decreased among the relevant tendering shareholders within a range where the resultant total number of shares purchased is equal to or greater than the maximum number of shares to be purchased.

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

If any event listed in Article 14, paragraph 1, items 1(1) through 1(9) and items 1(12) through 1(18), items 3(1) through 3(8) and 3(10) and Article 14, paragraph 2, items 3 through 6 of the Order occurs,

the Tender Offer may be withdrawn. With respect to the Tender Offer, the "facts equivalent to those listed in items 3(1) through 3(9)" set out in Article 14, paragraph 1, item 3(10) of the Order refers to (i) the case where any of the statutory disclosure documents filed by the Target Company in the past is found to contain a false statement of material fact or omit a statement of material fact that should have been stated, and (ii) the case where a fact listed in Article 14, paragraph 1, items 3(1) through 3(7) of the Order occurs with respect to an important subsidiary of the Target Company.
In order to withdraw the Tender Offer, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible.

(iii) Conditions to Reduce Purchase Price, Details Thereof and Method of Disclosure of Reduction

In accordance with Article 27-6, paragraph 1, item 1 of the Act, if the Target Company conducts any act listed in Article 13, paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, paragraph 1 of the Cabinet Office Ordinance. In order to reduce the purchase price, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible. If the purchase price is reduced, Tendered Share Certificates that were tendered on or before the date of the public notice are also purchased at the reduced purchase price.

(iv) Matters Concerning Tendering Shareholders' Rights to Cancel Their Agreements

The tendering shareholders may cancel their agreements on the Tender Offer at any time during the Tender Offer Period. If a tendering shareholder wishes to cancel the agreement, the tendering shareholder must deliver or mail a written notice stating its intention to cancel the agreement on the Tender Offer (hereinafter referred to as the "Cancellation Notice") to the head office or a branch office of the Tender Offer Agent that accepted the tender application by no later than 3:30 p.m. on the last day of the Tender Offer Period. In the case of mail, the cancellation is conditional on the Cancellation Notice reaching the recipient by no later than 3:30 p.m. on the last day of the Tender Offer Period.
In order to cancel the agreement for which a tendering shareholder applied through online service, the tendering shareholder must cancel the agreement via the online service (https://hometrade.nomura.co.jp/) or deliver or mail the Cancellation Notice. In the case of cancellation via the online service, the tendering shareholder must complete the cancellation procedure no later than 3:30 p.m. on the last day of the Tender Offer Period, following the instructions shown on the relevant screens. The tendering shareholder cannot cancel the agreement made at the head office or a branch office of the Tender Offer Agent via the online service. In the case of delivery or mail of the Cancellation Notice, the tendering shareholder must request in advance that the relevant office issue the form of the Cancellation Notice and deliver or mail it to the office no later than 3:30 p.m. on the last day of the Tender Offer Period. In the case of mail, the cancellation is conditional on the

Cancellation Notice reaching the recipient by no later than 3:30 p.m. on the last day of the Tender Offer Period.
The Tender Offeror will not make any claim for damages or a penalty payment to the tendering shareholders due to the cancellation of their agreement. In addition, the Tender Offeror will bear the cost of returning the Tendered Share Certificates to the tendering shareholders.

(v) Method of Disclosure in Case of Change in the Purchase Terms of the Tender Offer

The Tender Offeror may change the purchase terms of the Tender Offer during the Tender Offer Period unless such change is prohibited under Article 27-6, paragraph 1 of the Act and Article 13, paragraph 2 of the Order. If the Tender Offeror wishes to change the purchase terms, it will issue an electronic public notice regarding the details of the change and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice immediately. If the purchase terms have been changed, Tendered Share Certificates that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

(vi) Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Chief of the Kanto Local Finance Bureau, the Tender Offeror will immediately make a public announcement on the details relating to those described in the public notice of the commencement of the Tender Offer among other things in the amendment statement, by the method stipulated in Article 20 of the Cabinet Office Ordinance. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement of the Tender Offer to the tendering shareholders to whom the explanatory statement of the Tender Offer has already been delivered. However, if the scope of the amendment is limited, the amendment may be made by preparing a document stating the reason for the amendment and the subject matters before and after the amendment, and delivering the document to the tendering shareholders.

(vii) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period using the method stipulated in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance.

(viii) Other Information

The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), or through any stock exchange facilities in the United States. No application for the Tender Offer will be accepted through any of those methods or means, through those stock exchange facilities, or from the United States. In addition, no Tender Offer Statements or relevant purchase documents will, or may, be sent or distributed to, in, or from the United States by postal mail or other means. No application for the Tender Offer that violates, directly or indirectly, the aforementioned restrictions will be accepted.

When responding to the Tender Offer, tendering shareholders (or standing proxies in the case of non-Japanese shareholders) may be required to provide the tender offer agent with representations and warranties stating to the following effect. Tendering shareholders are not located in the United States at the time of applying for the Tender Offer or at the time of sending an application form for the Tender Offer. The tendering shareholders have not, directly or indirectly, received or sent any information (including its copies) related to the Tender Offer to, in, or from the United States. The tendering shareholders did not use, directly or indirectly, in connection with the tendering of shares or the signature and submission of the application form for the Tender Offer, the U.S. postal mail services or any other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication) or any stock exchange facilities in the United States. The tendering shareholders are not acting as an agent, entrustee or delegate, without discretion, of another person (except where such other person provides the tendering shareholders with all instructions relating to the purchase from outside the United States).

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

July 17, 2018 (Tuesday)

(11) Tender Offer Agent

Nomura Securities Co., Ltd. 1-9-1, Nihonbashi, Chuo-ku, Tokyo

4. Policies After the Tender Offer, Future Outlook and Forecast of Impact on Business Results

(1) Policies After the Tender Offer, etc.

With respect to the policies after the Tender Offer, etc., please refer to the abovementioned “2. Purpose of the Tender Offer.”

(2) Forecast of Impact on Business Results

The impact of the Tender Offer on ITOCHU’s consolidated business results in the fiscal year ending March 2019 is currently under close examination, and an announcement will be made promptly if detailed amounts are ascertained.

5. Other Information

(1) Whether There Is Any Agreement Between the Tender Offeror and the Target Company or Its Directors; Details Thereof If Applicable

(i) Announcement of support for the Tender Offer

According to the Target Company Disclosure, the Target Company made a resolution by a unanimous vote at its board of directors meeting held on April 19, 2018 to express its opinion as of the same date, to the effect that it will support the Tender Offer if it is commenced on the condition that the procedures and steps required under the competition laws of Japan and any relevant foreign countries have been completed and any applicable waiting periods thereunder have expired, and that the Tender Offer Price is reasonable in light of the content of a valuation or appraisal report concerning the equity value of the Target Company Shares, in the case where the Target Company obtains such valuation or appraisal report after the publication of the Target Company's disclosure entitled "Announcement of Expression of Opinion regarding Planned Commencement of Tender Offer of Shares in FamilyMart UNY Holdings Co., Ltd. by a Wholly-Owned Subsidiary of ITOCHU Corporation" dated April 19, 2018 in connection with the Tender Offer, in addition to the Target Company Stock Valuation Report Dated April 18, 2018. In addition, it is noted that the Target Company resolved at the same board of directors meeting that decisions by the shareholders regarding whether to tender their shares in the Tender Offer would be left to the discretion of the Target Company's shareholders, on the following grounds: that the Target Company and ITOCHU confirmed that the Target Company Shares would remain listed after the completion of the Tender Offer and thus the Target Company Shares would remain listed, while the Tender Offer Price was deemed to be reasonable to a certain extent, considering that the Tender Offer Price exceeded the maximum price of the valuation range under the market price method in the Target Company Stock Valuation Report Dated April 18, 2018 obtained from SMBC Nikko Securities and was within the valuation range under the DCF Method in the Target Company Stock Valuation Report Dated April 18, 2018, and the Tender Offer Price was the price which represented a premium of 9.78% to 10,020 yen, the closing price of the Target Company Shares in the First Section of the TSE on April 18, 2018 (the immediately preceding day of the release date of the Tender Offer); and that it was considered to be a sufficiently reasonable option for the shareholders of the Target Company to continue to hold their Target Company Shares after the Tender Offer since a certain maximum number of shares to be purchased would apply to the Tender Offer. Furthermore, since the Tender Offer will be commenced subject to certain conditions as stated above, and it will take some time for commencement, the board of directors of the Target Company will make another resolution to express its opinion concerning the Tender Offer at the time of commencement thereof upon confirmation that the conditions to express its opinion to the effect that it will support the Tender Offer as described above are satisfied.

And now, as a result of further deliberation of the Tender Offer, the Target Company once again made a resolution by its board of directors today (a) to support the Tender Offer for the following reasons: all of the conditions to support the Tender Offer (for details, please see the Target Company Disclosure and "(i) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer" in "(2) Background, Purpose and Decision-making Process of the Decision to Conduct the Tender Offer; Management Policies after the Tender Offer" of "2. Purpose of the Tender Offer" above) were satisfied; and that, after taking into consideration the changes in the market environment, etc. after the board of directors meeting of the Target Company held on April 19, 2018, it was still considered that there were no factors that would change its decision regarding the Tender Offer and (b) to leave decisions by the shareholders regarding whether to tender their shares in the Tender Offer to the discretion of those shareholders, because the Target Company Shares will remain listed even after the Tender Offer.

For the decision-making process of the board of directors meeting of the Target Company, please see the Target Disclosure and "(iv) Approval of All Directors and Non-objection of All Corporate Auditors of the Target Company" in "(4) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" of "2. Purpose of the Tender Offer" above.

(2) Other Information Deemed Necessary for Investors to Determine Whether to Tender Their Shares in the Tender Offer

(i) Summary of Consolidated Financial Results (IFRS) for the First Quarter of the Fiscal Year Ending February 2019

The Target Company publicly announced the Summary of Consolidated Financial Results (IFRS) for the First Quarter of the Fiscal Year Ending February 2019 on July 12, 2018. The profits and losses of the Target Company for that period based on the announcement are as follows. The first quarter summary of financial results is not subject to the audit procedure under Article 193-2, paragraph 1 of the Act. Incidentally, the outline of the contents of the announcement shown below is an excerpt from the announcement made by the Target Company, and the Tender Offeror and ITOCHU are not in a position to independently verify its accuracy and credibility, and have not actually undertaken such verification. For the details, please see the contents of the announcement.

i. Profits and Losses

Accounting Period	Consolidated Cumulative First Quarter of FY Ending February 2019 (from March 1, 2018 to May 31, 2018)
Operating Revenue	316,578 million yen
Sales Costs	▲142,836 million yen
Gross Operating Profit	173,742 million yen
Selling, General and Administrative Expenses	▲153,396 million yen
Profits and Losses in Investments under Equity Method	444 million yen
Other Revenue	5,810 million yen
Other Expenses	▲5,540 million yen
Financial Revenue	613 million yen
Financial Expenses	▲822 million yen
Quarterly Profit Before Tax	20,851 million yen
Income Tax Expense	▲3,652 million yen

Quarterly Profit	17,200 million yen

ii. Attribution of Quarterly Profit

Owner of the Parent	13,705 million yen
Non-controlling Interest	3,495 million yen
Quarterly Profit	17,200 million yen

iii. State Per Share

Accounting Period	Consolidated Cumulative First Quarter of FY Ending February 2019 (from March 1, 2018 to May 31, 2018)
Basic Quarterly Profit Per Share	108.31 yen
Dividends Per Share	— yen

[Solicitation Regulations]
This press release is intended to publicly release the Tender Offer, and was not prepared for the purpose of soliciting a tender for a sale. If you intend to tender an offer to sell shares in the Tender Offer, please make sure that you refer to the Tender Offer Explanatory Document regarding the Tender Offer in advance, and tender shares at your own discretion. This press release is not a tender for, or a solicitation for a tender for, a sale or purchase of securities, and does not constitute a part of the foregoing. In addition, this press release (or any part of it) and any distribution hereof will not be the basis for any agreement concerning the Tender Offer, nor will it be relied upon when executing an agreement.

[Future Prospects]
This press release may contain forward-looking terms such as “expect,” “assume,” “intend,” “plan,” “believe,” and “suppose” to state the future business of ITOCHU, the Target Company and other companies. These terms are based on the business outlook of ITOCHU at present and may therefore change depending on the future conditions. Accordingly, as for the information in this press release, ITOCHU is not obligated to update these terms to reflect actual business results or any changes in various circumstances and conditions.

[U.S. Regulations]
The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), or through any stock exchange facilities in the United States. No application for the Tender Offer will be accepted through any of those methods or means, through those stock exchange facilities, or from the United States. In addition, no Tender Offer Statements or relevant purchase documents will, or may, be sent or distributed to, in, or from the United States by postal mail or other means. No application for the Tender Offer that violates, directly or indirectly, the aforementioned restrictions will be accepted.

No solicitation for the purchase of securities or other equivalents is made to U.S. residents or in the United States, and ITOCHU will not accept any solicitation that is sent from U.S. residents or from the United States.

[Other Countries]
In some countries or regions, the release, issuance, or distribution of this press release may be restricted by relevant laws, in which case, please keep such restriction in mind and comply with it. This press release does not constitute a solicitation for a tender for, a sale or purchase of shares in relation to the Tender Offer, and is deemed solely as a distribution of information material.