(Translation only)

April 16, 2013

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange
and the Osaka Securities Exchange)
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Notification of the Commencement of the Tender Offer for the Shares in DAIYOSHI TRUST Co., Ltd.

Daiwa House Industry Co., Ltd. (the “Tender Offeror” or the “Company") resolved at a meeting of the Board of Directors held on April 16, 2013 that it will acquire common stock of DAIYOSHI TRUST Co., Ltd. (code number 3243 Q-Board, Fukuoka Stock Exchange; the “Target”) by means of a tender offer in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended; the “Act”). The notification of the commencement of the Tender Offer is as follows:

1. Objectives of the Tender Offer

(1) Overview of the Tender Offer

The Company resolved at the meeting of the Board of Directors held on April 16, 2013 to acquire all of the Target’s outstanding common stock listed on the Fukuoka Stock Exchange's Q-Board through the Tender Offer, the aim of which is to turn the Target into a wholly owned subsidiary of the Company.

As part of undertaking the Tender Offer, the Company has entered into an agreement to tender shares in the Tender Offer (“Share Tender Agreement”) on April 16, 2013 with the Target’s president and CEO and the largest shareholder, Mr. Yoshihiro Oho (“Mr. Oho”), for 1,649,100 shares, all of the Target’s common stock held by Mr. Oho (as listed in the Target’s 2nd quarterly report for the 38th fiscal year submitted on April 10, 2013 and a holding rate to the total number of issued and outstanding shares of the Target as of February 28, 2013 (rounded to the nearest second decimal; “Holding Rate”) is 61.03%). For an overview of the Share Tender Agreement, please refer to (5) Matters Concerning Important Agreements between the Tender Offeror and Shareholders of the Target Pertaining to Tendering in the Tender Offer.

For the purpose of turning the Target into a wholly owned company of the Company, the Company is launching the Tender Offer in order to acquire all of the issued and outstanding shares of the Target and has not set a maximum limit to the number of shares planned to be purchased. The minimum limit to the number of shares planned to be purchased has been set at 1,649,100 shares, the same amount as the Target’s common stock held by Mr. Oho, who has entered into the Share Tender Agreement. Therefore, if the total number of shares exceed minimum limit to the number of shares planned to be purchased (1,649,100 shares), all shares will be purchased; however, if the total number of shares is less than the minimum limit to the number of shares planned to be purchased (1,649,100 shares), none of the shares tendered will be purchased.

As listed in (3) Policy on Organizational Restructuring, etc. following the Tender Offer (Matters Concerning So-Called Two-Step Acquisition), the Company, after the completion of the Tender Offer, will request the Target to undergo procedures (“Procedures for Turning the Target into a Wholly Owned Subsidiary”) to acquire the total number of common stock issued by the Target, which is scheduled to be turned into a wholly owned subsidiary, on a condition that 2,175,700 shares (“Standard Number of Shares;” Holding Rate: 80.52%), the combined total of Mr. Oho’s above shares held of 1,649,100 and 526,600 shares (Note), the equivalent majority of shares held by shareholders other than Mr. Oho, or more shares will be tendered through the Tender Offer in order to respect the wishes of the Target’s shareholders other than Mr. Oho. For details of Procedures for Turning the Target into a Wholly Owned Subsidiary, please refer to (3) Policy on Organizational Restructuring, etc. following the Tender Offer (Matters Concerning So-Called Two-Step Acquisition).

Note: This is calculated by adding 100 shares which consists one unit of the Target’s common stock to the amount calculated by dividing 1,053,000 shares by 2, which is the amount remaining after subtracting all 1,649,100 shares of the Target’s common stock held by Mr. Oho from 2,702,100 shares, the total number of the Target’s issued and outstanding shares as of February 28, 2013 as listed in the Target’s 2nd quarter, 38th fiscal period report submitted on April 10, 2013 (so-called majority of minority).

According to the Target’s press release dated April 16, 2013 “Announcement of Our Opinion concerning Daiwa House Industry’s Tender Offer for the Shares in DAIYOSHI TRUST Co., Ltd.” (the “Target’s Press Release”), the Target has reached an opinion that becoming a member of the Group paves the way to new business development leveraging the Company’s resources and that the Procedures for Turning the Target into a Wholly Owned Subsidiary will contribute to raising the Target’s corporate value. Further, based on the calculation in the Share Valuation Report of the Target provided by Josui Consulting Limited Liability Partnership (“Josui Consulting”; Target Share Valuation Report) that indicates that a substantial premium has been applied considering the market price trends of the Target shares, and based the special committee's review and opinions, it was determined that the Target’s per-share purchase price in the Tender Offer (the “Offer Price”) is a fair price for the Target’s shareholders and that the Tender Offer provides opportunities for Shareholders of the Target to sell their common shares at a reasonable price. In addition, based on the fact that the Offer Price and the amount of consideration granted to shareholders by the subsequent Procedures for Turning the Target into a Wholly Owned Subsidiary are identical, the transition to the Procedures for Turning the Target into a Wholly Owned Subsidiary is conditioned on there being more offers to sell through the Tender Offer than the number of shares (2,175,700 shares, Holding Rate: 80.52%), and there is a mechanism for respecting the will of minority shareholders' interests, and other factors; the conditions of the Procedures for Turning the Target into a Wholly Owned Subsidiary are considered fair. Therefore, the Board of Directors' meeting of the Target held on April 16, 2013 decided their opinion in favor of the Tender Offer by a unanimous decision of the attending directors based on the presence of all directors who have no interest in the decision. The Board of Directors also resolved to recommend Target shareholders to tender their shares in the Tender Offer.

Mr. Oho, the president and CEO of the Target, could have a conflict of interest with respect to the Tender Offer due to the execution of the Share Tender Agreement under which Mr. Oho agrees to tender all of the Target's common shares held by him (1,649,100 shares, Holding Rate: 61.03%) in the Tender Offer. From the standpoint of maintaining fairness and neutrality in Target decision-making, he has not discussed or negotiated with the Company from the position of a Target director nor has he participated in the deliberations or resolutions of the aforementioned Board of Directors.

All corporate auditors of the Target attend the Board of Directors' meeting of the Target and none of them have expressed any objection to views concerning Procedures for Turning the Target into a Wholly Owned Subsidiary including the procedures of the Tender Offer. For details of Procedures for Turning the Target into a Wholly Owned Subsidiary, please refer to (3) Policy on Organizational Restructuring, etc. following the Tender Offer (Matters Concerning So-Called Two-Step Acquisition).

On April 16, 2013, the Target announced "Notice Concerning Dividend Forecast Revision for the Fiscal Year Ending August 31, 2013." According to said announcement, at the Board of Directors' meeting of the Target held on April 16, 2013, the Target resolved not to pay a year-end dividend for the fiscal year ended August 31, 2013, revising its previous dividend forecast for the fiscal year ending August 31, 2013, on condition that the Tender Offer is completed and that 2,175,700 shares or more of common stock of the Target be tendered in the Tender Offer.

Therefore, even if the Tender Offer is concluded, in the case where 2,175,700 shares (Holding Rate: 80.52%) or more shares were not tendered in the Tender Offer, dividends from retained earnings (year-end dividends) are planned to be paid.

(2) Background, Objective and Decision Making Process of the Decision to Undertake the Tender Offer as well as the Management Policy following the Tender Offer

1) Background of Tender Offer, etc.

At the Daiwa House Group (consisting of the Company and its 93 subsidiaries, as well as 19 affiliated companies), we work together with our customers to create new value, and to further enhance and leverage such value to help build a society where people can lead spiritually rich and satisfying lives. As a group that co-creates value for individuals, communities, and people's lifestyles, the Daiwa House

Group is engaged in a comprehensive range of business operations covering all aspects of daily life, such as single-family houses, rental housing, condominiums, existing home business, commercial facilities, business and corporate facilities, health & leisure, and other businesses. To further develop our business operations, in November 2011 we announced the Group's Third Medium-Term Management Plan (April 2011 through March 2014) under the name “3Gs” for New Growth, in which we revealed our plans to expand the scope of the Group’s operations by cultivating new customer segments as part of a basic policy of strengthening the competitiveness of our core businesses and seeking new earnings opportunities. Under the plan, we aim to achieve these goals by taking advantage of the ongoing structural changes in the Japanese domestic market—the growing number of elderly people living alone, the saturation of the existing home market, and the increasing social emphasis on environmental issues, among others.

At the same time, the Target, shares of which were listed on the Fukuoka Stock Exchange's Q-Board in July 2007, engages in parking and other businesses primarily in Fukuoka and Tokyo. This involves leasing land from landowners to primarily operate small-scale (10 spaces or less) flat parking lots using the DY Parking automatic management system (coin parking). The DY Parking system enables the Target to operate low-priced, 24-hour unmanned parking lots. This approach allows the Target to easily open new parking lots and flexibly close unprofitable ones, thereby enabling parking lot operations that are more efficient and profitable. In addition, the Target has steadily seen increases in performance due to parking lot site information gathering and the building of new parking lots centered in urban areas where there is a strong perception that the land supply mainly around train stations is inadequate. This is attributable to collaboration of real estate leasing and sales businesses and the Target’s mainstay parking business. In addition to opening a new sales office in Osaka in December 2012, the Target is scheduled to open a new office in Kumamoto in May 2013 and plans to expand the number of parking lots it operates.

The Company will investigate the full-scale entry into the lease parking lot construction and operation businesses as one option for development of new land in fiscal 2013. It is the judgment of the Company that the addition into the Daiwa House Group of the Target, which possesses a deep knowledge of the coin parking business in particular, will further accelerate the Company’s path to profitability in this business, as well as help establish its position in this industry and increase market share. Moreover, the Company believes that by making great use of the Daiwa House Group’s real estate development and land development information gathering abilities, the Target will be able to further enhance its growth capability and competitiveness. In addition, the Target believes that becoming a member of the Daiwa House Group will heighten the sense of trust and reassurance among the Target’s existing customers and other stakeholders. In order to maximize the synergistic effects of this business while comprehensively and effectively utilizing management resources, the Company considers it important to develop close links with the Target in an effort to promote flexible and agile management. To this end, the Company deems it desirable to build optimal capital relationships and, in turn, has implemented a policy of making the Target a wholly owned subsidiary of the Company.

Under these circumstances, the Company began deliberations with Mr. Oho, the Target’s president and CEO and largest shareholder, in late November 2012. Subsequently, the Company approached Mr. Oho about submitting a letter of intent for the Company's purchasing the Target's common stock held by Mr. Oho (1,649,100 shares; Holding Rate: 61.03%) on December 13, 2012, which Mr. Oho responded positively to. Consequently, on February 8, 2013, due diligence process regarding the Target was commenced based on the acquisition of exclusive negotiating rights from Mr. Oho. Following deliberations and negotiations with Mr. Oho and based on the results of the due diligence process, the Company submitted its final letter of intent to Mr. Oho on March 22, 2013 and moved forward with numerous deliberations and negotiations with the Target from February 2013 onward. Through these deliberations and negotiations, the Company's Board of Directors resolved to undertake the Tender Offer at a meeting held on April 16, 2013 and enter into the Share Tender Agreement with Mr. Oho.

Furthermore, the Company and the Target entered into a Public Tender Offer Agreement ("Tender Offer Recommendation Agreement") on April 16, 2013. Outline of the Tender Offer Recommendation Agreement is as follows.

(a) Until the end of the Tender Offer Period established in the Tender Offer, the Target shall be in agreement with the Tender Offer and sustain the unanimous Board of Directors' resolution (with all directors in attendance) to recommend the Tender Offer, and will not withdraw or change such resolution. However, if it is rationally determined that to sustain the resolution to recommend the Tender Offer will result in violation of duty of care of a director or corporate auditor of the Target, the Target may withdraw or change the resolution of recommendation. In such cases, however, the Target shall faithfully enter into deliberations with the Company prior to passing the said resolution of the Board of Directors.
(b) From the date of the Tender Offer Recommendation Agreement onward, the Target shall not engage in or induce any actions, including soliciting, proposing, deliberating, negotiating and providing information and approaching, regarding transactions competing the Tender Offer including acquisition of the Target's common stock through a tender offer or other methods between the Target and any outside third parties other than the Company (excluding cases in which proposals regarding the above transaction are made to the Target by a third party without any actions taken by the Target); or transactions that impede the Company's acquisition of the Target's common stock through the Tender Offer (including mergers with third parties, share swaps or corporate divestitures and other organizational restructuring implemented by the Target).
(c) The Target shall make reasonable efforts in consultation with the Company to procure the employee shareholding association to subscribe all of the Target's shares held by it in the Tender Offer.
(d) If the Tender Offer is completed, the Target shall work to maintain management systems as of the date of the Tender Offer Recommendation Agreement, unless otherwise agreed upon with the Company, until Target executives designated by the Company are appointed. If the Tender Offer is completed, the Target shall promptly hold a general shareholders' meeting at which a motion will be submitted to appoint Target executives reasonably designated by the Company when separately requested by the Company.
(e) Following the completion of the Tender Offer, the Company shall make reasonable efforts to

maintain employment based on equivalent employment conditions by confirming the Target's basic business management policies used by Target employees to date.

(f) Until the Commencement Date of Settlement following the Tender Offer Recommendation Agreement, the Target shall execute operations and manage assets based on the care and attention of effective managers and using normal business execution methods that remain essentially the same as prior to the day prior to the Tender Offer Recommendation Agreement. If the Target engages in actions that exceed the regular business operations, including paying dividends from surplus, changing its capital composition and engaging in organizational restructuring, written approval must be received from the Company in advance.

(g) In cases that the total number of the Target’s common stock tendered in the Tender Offer exceeds 2,175,700 shares, and if the Company fails to purchase all of the Target’s shares through this Tender Offer, the Target shall extend the necessary cooperation in order to undertake procedures designated by the Company following the completion of the Tender Offer to ensure that the Company will be the only shareholder of the Target.

2) Management Policy following the Tender Offer

Although no major changes following the Tender Offer to Target management policies are planned at this point in time, the Company assumes that the Target will be turned into a wholly owned subsidiary under the condition the total number of common stock issued by the Target subject to the Tender Offer shall exceed the Standard Number of Shares (2,175,700 shares; Holding Rate: 80.52%). After becoming a wholly owned subsidiary, the Target shall implement administration cost reductions and other management improvement measures, and the Company and the Target will take steps to improve corporate value by mutually utilizing at a higher level the Daiwa House Group’s management foundation and the Target’s business expertise.

At the same time, if the total number of Target’s common stock tendered in the Tender Offer does not exceed the Standard Number of Shares (2,175,700 shares; Holding Rate: 80.52%), Procedures for Turning the Target into a Wholly Owned Subsidiary will not be implemented, the Target will remain listed on the Fukuoka Stock Exchange's Q-Board, and there might be some restrictions regarding the implementation of management improvement policies and mutual use of both companies management resources. However, even in this case, steps will be taken to achieve business synergies as early as possible and within possible limits while improving the corporate value of the Company and the Target while retaining the Target’s independence as a listed company.

Following the completion of the Tender Offer, a small number of executives are scheduled to be dispatched to the Target in order to maximize synergies with the Target as early as possible. However, the Target’s current six directors are scheduled to remain in their positions, beginning with President and CEO Mr. Oho, in order to carry out management duties. Details regarding the executives to be dispatched are to be decided in consultation with the Target after the Tender Offer is completed. Moreover, the Company expects Target employees to engage in the business operations of the Target as has been done to date following the approval of the Tender Offer.

(3) Policy on Organizational Restructuring, etc. following the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)

As is listed in (1) Overview of the Tender Offer, for the purpose of turning the Target into a wholly owned company of the Company, the Company is launching the Tender Offer in order to acquire all of the issued and outstanding shares of the Target. However, if the Company fails to acquire all the common stock issued by the Target through the Tender Offer, the Company plans to acquire all the common stock issued by the Target after the approval of the Tender Offer using the following methods and based on the condition that the total number of the Target's common stock tendered in the Tender Offer exceeds the Standard Number of Shares (2,175,700 shares; Holding Rate: 80.52%).

In particular, following the completion of the Tender Offer, the Company will request that the Target, a) change the Target into a Company with Class Shares stipulated in the Companies Act (Act No. 86 of 2005; as amended) by way of amending some of the Articles of Incorporation to allow the issuance of class shares; b) amend some of the Articles of Incorporation to enable the Target to acquire all the common stock issued by the Target by the resolution of shareholders meeting (a provision concerning the matter stipulated in Article 108, Paragraph 1, Item 7 of the Companies Act; *Zenbu Shutoku Joko);* and c) to acquire all of the Target's common stock subject to all applicable acquisition provisions and deliver other class shares of the Target in exchange for the acquisition of said common stocks, proposals for which will be submitted at an extraordinary general shareholders meeting ("Extraordinary General Shareholders Meeting") scheduled to be held in August 2013, as requested to the Target.

In addition, once the above mentioned proposal a) is approved in the Extraordinary General Shareholders Meeting and amendments to some of the Articles of Incorporation mentioned in a) of the previous paragraph enter into force, the Target will become a Company with Class Shares as stipulated in the Companies Act. Accordingly, as a process to effect the amendments to some of the Articles of Incorporation mentioned in b) above, in addition to the resolution of the Extraordinary General Shareholders Meeting, it will become necessary to obtain a resolution by the general class shareholders meeting, which consists of the Shareholders of the Target common stock with *Zenbu Shutoku Joko* ("General Class Shareholders Meeting"), in accordance with Article 111, Paragraph 2, Item 1 of the Companies Act. Therefore, the Company intends to request that the Target hold the General Class Shareholders Meeting on the same date as the Extraordinary General Shareholders Meeting.

If the above procedures are undertaken, all of the Target's common stock will be acquired by the Target because of *Zenbu Shutoku Joko* attached thereto, and other class shares of the Target will be delivered to the Shareholders of the Target in consideration of such acquisition. In case the number of class shares of the Target to be delivered to a shareholder of the Target as consideration is fractions less than one share, such shareholder will receive cash that is obtained by the sale of said fractions, which consists of, together with the fractions to be delivered to other shareholders who will receive fractions less than one share as a consideration, more than one class share (if the sum has fractions, such fractions will be rounded down) in accordance with the procedures stipulated in Article 234 of the Companies Act. The Company intends to request that the Target ensure that the amount of cash that shareholders will receive as a result of the sale of Target class shares will be equivalent to the price calculated by multiplying the Offer Price by the amount of Target's common stock held by said shareholders. Although the numbers of Target class shares to be delivered to shareholders in exchange for all the Target's common stock with *Zenbu Shutoku Joko* have not been determined as of the date hereof, the Company will obtain an agreement with the Target to determine delivering, to the non-tendering Shareholders of the Target other than the Company, the above Target shares in such number as will limit the holding of such non-tendering shareholders to fractions less than one share, in order for the Company to hold all issued and outstanding shares of the Target with regard to applicable shares.

As stipulated in the Companies Act for protecting the rights of minority shareholders pertaining to Procedures for Turning the Target into a Wholly Owned Subsidiary, the shareholders may petition in a court of law for determination of the acquisition price of the stocks with *Zenbu Shutoku Joko* as stated in c) above in accordance with Article 172 of the Companies Act and other related laws and ordinances in the case that acquisition of whole such shares is resolved by the Extraordinary Shareholders Meeting. Shareholders have the right to request that the Company purchase their shares upon amendment to the Articles of Incorporation to stipulate *Zenbu Shutoku Joko* of (b) above and petition to a court of law a decision on purchase price in accordance with Article 116 and Article 117 of the Companies Act and other related laws and ordinances. However, when the acquisition goes into effect based on *Zenbu Shutoku Joko*, it is deemed possible that shareholders may forfeit their eligibility to petition for a decision on purchase prices as stated in Article 117, Paragraph 2 of the Companies Act.

Depending on the interpretation by the authorities regarding related laws and ordinances and their revisions and the shareholding ratio of the Company and the circumstances regarding shareholding of Target shares by shareholders other than the Company after the Tender Offer, among others, the Company may turn the Target into a wholly owned subsidiary by way of other means with the generally equivalent effect instead of undertaking the way described above, and may change the implementation period. However, even in this case, shareholders other than the Company holding Target shares will ultimately be delivered cash as a method of payment. In this case, the amount of cash delivered to Target shareholders other than the Company will be calculated to be equivalent to the price calculated by multiplying the Offer Price by the number of Target's common stock held by said shareholders. Specific procedures used in this case will be decided upon as soon as possible upon consultation with the Target and will be announced soon after. The Tender Offer does not in any way involve inducing the acceptance of Target shareholders during the General Class Shareholders Meeting or the Extraordinary General Shareholders Meeting.

If the Tender Offer does not exceed the Standard Number of Shares (2,175,700 shares; Holding Rate: 80.52%), the Company will postpone Procedures for Turning the Target into a Wholly Owned Subsidiary.

(4) Possibility of Delisting and Reason Thereof

The Target's shares are currently listed on the Fukuoka Stock Exchange's Q-Board; However, because the Company has not set the maximum limit to the number of share certificates, etc. to be purchased in the Tender Offer, there is a possibility that, depending on the result of the Tender Offer, the Target's common stock may be subject to delisting after going through the designated procedures in accordance with the delisting rules of the Fukuoka Stock Exchange. In addition, even if the relevant thresholds for delisting are not met at the time the Tender Offer is completed, the Company may, as described in (3) Policy on Organizational Restructuring, etc. following the Tender Offer (Matters Concerning So-Called Two-Step Acquisition), acquire all of the Target’s common stock with the intention of making the Target a wholly owned subsidiary of the Company under the condition that all Target’s common stock tendered in the Tender Offer exceeds the Standard Number of Shares (2,175,700 shares; Holding Rate: 80.52%). Therefore, in this case, Target’s common stock will be delisted after going through the designated procedures in accordance with the delisting rules of the Fukuoka Stock Exchange. In the case of delisting, the Target's common stock may not be traded on the Fukuoka Stock Exchange.

However, if the number of the Target’s common stock tendered in the Tender Offer does not exceed the Standard Number of Shares (2,175,700 shares; Holding Rate: 80.52%), the Company will postpone Procedures for Turning the Target into a Wholly Owned Subsidiary and the Target's common stock will remain listed on the Fukuoka Stock Exchange's Q-Board.

(5) Matters Concerning Important Agreements between the Tender Offeror and Shareholders of the Target Pertaining to Tendering in the Tender Offer

The Company and Mr. Oho have entered into the Share Tender Agreement on April 16, 2013 under which Mr. Oho shall tender all of the Target’s common stock (1,649,100 shares; Holding Rate: 61.03%) currently held by him in the Tender Offer. The Share Tender Agreement does not require any preexisting conditions to be fulfilled.

(6) Measures to Ensure Fairness of the Offer Price and Measures to Prevent a Conflict of Interest, etc.

Having entered into the Share Tender Agreement with Mr. Oho, who as the largest shareholder has a 61.03% Holding Rate of the Target’s common stock, the Company and the Target have implemented the following measures to ensure the fairness of the Tender Offer on the basis that there could be a conflict of interest between Mr. Oho and the Target’s minority shareholders.

1) Obtain Share Value Appraisal from a Third Party Assessor That is Independent from the Company

Upon determination of the Offer Price, the Company has requested a share value calculation of the Target’s common stock from Pinnacle Inc. (“Pinnacle”), a third party assessor that is independent from the Company and the Target.

Pinnacle calculated the Target’s share price by using a market price analysis, a share price comparative analysis and the Discounted Cash Flow Method (“DCF Method”); the Company obtained Pinnacle’s stock valuation analysis on April 15 2013 (the “Stock Valuation Analysis”). The Company did not obtain an opinion from Pinnacle regarding the fairness of the Offer Price. In addition, Pinnacle does not fall under the category of a relevant party of the Company or the Target and has no major conflict of interest concerning the Tender Offer.

According to the above Stock Valuation Analysis, the per-share values of the Target's common stock, which has been calculated based on methods used by Pinnacle and applicable methods, are as follows:

Market price analysis: from 607 yen to 927 yen
Share price comparative analysis: 729 yen to 1,495 yen
DCF Method analysis: 731 yen to 1,468 yen

First, using April 15, 2013, the business day before the announcement of the Tender Offer, as a reference date, the market price analysis determines the per-share common stock value to be between 607 yen and 927 yen based on the closing price on the reference date (927 yen) of Target common stock on Q-Board; the simple arithmetic average (808 yen, rounded off after the decimal place; the same shall apply for calculations using the closing price simple arithmetic average) of the closing share prices during the past 1-month period; the simple arithmetic average (710 yen) of the closing share prices during the past 3-month period; and the simple arithmetic average (607 yen) of the closing share prices during the past 6-month period.

Next, the share price comparative analysis determines the per-share common stock value to be between 729 yen and 1,495 yen based on an appraisal of the Target’s share value by comparing market values of listed companies engaged in similar businesses as the Target and comparing financial indicators that show profitability, etc.

The DCF Method analysis determines the per-share common stock value to be between 731 yen and 1,468 yen using an analysis of corporate value and share value discounting the current value with the Target’s forecasted constant free cash flow discount rate based on the Target’s profit forecast from the fiscal year ending August 2013 onward that considers such factors as recent performance trends, current and future operating conditions and commonly available information using medium-term business plan formulated by the Target as a guideline.

The Target’s profit forecast based on the premise that Pinnacle's calculations used the DCF Method analysis includes fiscal years where significant profit increases are expected. This is primarily due to forecasted profit from the sale of large individual properties currently in process.

Regarding its investigation of the Offer Price, the Company conducted its investigation within the scope of the DCF Method value appraisal results, which take into consideration items that reflect the Target’s future profitability and growth potential, and prioritizes DCF Method analysis results.

The Company has decided the final Offer Price of common stock per share to be 1,066 yen at a meeting of the Board of Directors held on April 16, 2013 by referring to the Stock Valuation Analysis obtained from Pinnacle and based on the results of deliberations and negotiations with Mr. Oho and deliberations with the Target, etc., taking into rational consideration financial information released by the Target, actual examples of premium conferred upon determination of the offer price in the past tender offers for the share certificates, etc., by a person other than the issuer, whether or not the Target Board of

Directors would recommend the Tender Offer, trends in market prices of the Target’s common stock over the past 6-month period, forecasts of the number of shares tendered in the Tender Offer and due diligence results regarding the Target.

The Offer Price of 1,066 yen adds the values of the premium of 14.99% (927 yen, rounded off after the decimal place; premium calculations below are the same) for the closing price on Q-Board on April 15, 2013, the business day before the announcement of the Tender Offer; the premium of 31.93% for the simple arithmetic average of the closing share prices during the past 1-month period until April 15, 2013 (808 yen); the premium of 50.14% for the simple arithmetic average of the closing share prices during the past 3-month period until April 15, 2013 (710 yen); and the premium of 75.62% for the simple arithmetic average of the closing share prices during the past 6-month period until April 15, 2013 (607 yen).

2) Obtain a Share Valuation Report from a Third Party Assessor That is Independent from the Target

According to the Target’s Press Release, the Board of Directors meeting of the Target obtained a target’s stock valuation report dated April 16, 2013 (the “Stock Valuation Report”) following a request for the calculation of the value of the Target’s stock by Josui Consulting, a third party assessor that is independent from the Target and the Company, as a measure to ensure fairness in relation to investigations of the Offer Price disclosed by the Company and the ascertaining of opinions on the Tender Offer. The Target has not obtained an opinion on the fairness of the Offer Price from Josui Consulting. In addition, Josui Consulting does not fall under a relevant party of the Company or the Target and has no major conflict of interest concerning the Tender Offer.

Josui Consulting used the DCF Method and share price comparative analysis to calculate the value of the Target’s shares as well as the market price analysis as reference information. According to Stock Valuation Report, the per-share values of the Target's common stock, which has been calculated based on applicable methods, are as follows:

DCF Method analysis: 973 yen to 1,558 yen
Share price comparative analysis: 997 yen to 1330 yen

The DCF Method determines the per-share common stock value to be between 973 yen and 1,558 yen using an analysis of corporate value and share value discounting the current value with the Target’s forecasted constant free cash flow discount rate based on the Target’s profit forecast from the fiscal year ending August 2013 onward that considers such factors as the Target’s business plan, recent performance trends.

The share price comparative analysis determines the per-share common stock value to be between 997 yen and 1,330 yen based on an analysis of the Target’s share value by comparing market values of listed companies engaged in similar businesses as the Target and comparing financial indicators that show profitability, etc.

Using April 15, 2013, the business day before the announcement of the Tender Offer, as a reference date, the market price analysis determines the per-share common stock value to be between 706 yen and 927 yen is based on the closing price on the reference date (927 yen) of Target common stock on Q-Board; the volume weighted average price of the closing share prices during the past 1-month period (838 yen; rounded to the nearest decimal point; the same shall apply for the calculation of the volume weighted average prices); the volume weighted average price of the closing share prices during the past 3-month period (782 yen); and the volume weighted average price of the closing share prices during the past 6-month period (706 yen). Josui Consulting has opted not to use a market price analysis largely based on the rapid increases in Target share prices undertaken after December 2012 in comparison with past increases; however, the analysis using a market price analysis will be presented as reference information about the Target.

3) Advice Received by the Target from Outside Law Office

According to the Target's Press Release, the Board of Directors meeting of the Target appointed Nagashima Ohno & Tsunematsu as legal advisors independent of the Company and the Target as a means of both eliminating arbitrary decision-making concerning Procedures for Turning the Target into a Wholly Owned Subsidiary including the Tender Offer and guaranteeing fairness. The Board of Directors also received legal advice from said law office regarding, among others, the decision-making method and process concerning Procedures for Turning the Target into a Wholly Owned Subsidiary including the Tender Officer.

4) Establishment of a Special Committee by the Target

According to a press release of the Target, on March 29, 2013, the Target established a special committee consisting of all the corporate auditors among the Target's officers (full-time corporate auditor Nobuyoshi Kobayashi, outside corporate auditor Sumio Hori, and outside corporate auditor Haruchika Gohara). The purpose of the committee is to ensure greater fairness in the decision-making of the Board of Directors meeting of the Target by getting the corporate auditors and directors, who are highly independent from the Target, to engage in a lively debate about the Procedures for Turning the Target into a Wholly Owned Subsidiary including the Tender Offer. On April 8, 2013, outside director of the Target, Masatoshi Yoshida, joined the special committee as a member. The special committee reviews the Procedures for Turning the Target into a Wholly Owned Subsidiary, including the Tender Offer, from the standpoint of whether they will (a) contribute to raising the corporate value of the Target, whether (b) the conditions including the Offer Price are fair for the Target's shareholders, and whether (c) the review process of the Board of Directors meeting of the Target is fair. The special committee is advised by the law office of Nagashima Ohno & Tsunematsu, the Target's legal advisor, regarding the committee's purpose and function, and based on that advice it has carefully reviewed the aforementioned issues a total of four times between March 29 and April 16, 2013. In the aforementioned reviews, Hidehiko Nakano, the leader in negotiations with the Company, briefed the special committee on approaches, as the Target, to the Tender Offer, the status of negotiations with the Company, and other matters leading up to the recommendation of the Tender Offer proposal made by the Company. The committee has also been briefed by Josui Consulting on the valuation of Target's stock based on a draft of the Stock Valuation Report presented by the Company to the Target. The special committee has drawn the following conclusions as a result of its reviews.

(a) It is thought that having the Target become a member of the Group will pave the way to new business development leveraging the Company's resources, and the Procedures for Turning the Target into a Wholly Owned Subsidiary will contribute to raising the Target's corporate value.

(b) Based on the calculation results in Josui Consulting's Stock Valuation Report indicating that a substantial premium has been applied in consideration of the market price trends of the Target shares, the Offer Price is considered to be a fair price for the Target's shareholders. In addition, based on the fact that the Offer Price and the amount of consideration granted to shareholders by the subsequent Procedures for Turning the Target into a Wholly Owned Subsidiary are identical, the transition to the Procedures for Turning the Target into a Wholly Owned Subsidiary is conditioned on there being more tenders than the number of shares (2,175,700 shares, Holding Rate: 80.52%), which serves as a mechanism for respecting the will of minority interests, and other factors, the conditions of the Procedures for Turning the Target into a Wholly Owned Subsidiary are considered fair for shareholders. (c) In view of the fact that the Board of Directors meeting of the Target has completely cut off the flow information to Mr. Oho, who may have a conflict of interest with minority shareholders regarding the Tender Offer, that he has been rightly excluded from reviews of Procedures for Turning the Target into a Wholly Owned Subsidiary and negotiations with the Company, and that explanations about the valuation of Target stock by Josui Consulting as well as legal advice and documents needed in reviews are shared among directors, it has been determined that it was carefully reviewed and therefore the review process is considered fair.

Based on the results of the aforementioned review, the special committee, after concluding that the Procedures for Turning the Target into a Wholly Owned Subsidiary including the Tender Offer is not detrimental to the minority Shareholders of the Target, submitted a written opinion expressing this conclusion to the Board of Directors meeting of the Target on April 16, 2013. Further, after the Tender Offer completed, the Company will be deemed the Target's majority shareholder (as defined in Article 2, Paragraph 1, Item 2 g of Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities and in 1 (3) Handling of Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities in accordance with rules of the Fukuoka Stock Exchange.), and in cases where the Procedures for Turning the Target into a Wholly Owned Subsidiary fall under the category of a major transaction with the majority shareholder, the aforementioned opinion seconds the opinion that the decision to conduct a major transaction with the majority shareholder is not detrimental to the minority Shareholders of the Target.

5) Approval of All Directors and Corporate Auditors who Have no Interest in the Target

Mr. Oho, the president and CEO, could have a conflict of interest with respect to the Tender

Offer due to the conclusion of the Share Tender Agreement under which Mr. Oho shall tender all of the Target's common stock held by him(1,649,100 shares, Holding Rate: 61.03%) in the Tender Offer. From the standpoint of maintaining fairness and neutrality in Target decision-making, he has not discussed or negotiated with the Company from the position of a Target director nor has he participated in the deliberations or resolutions of the aforementioned Board of Directors.

All corporate auditors of the Target attend the Board of Directors meeting and none of them have expressed any objection to views concerning Procedures for Turning the Target into a Wholly Owned Subsidiary including the Tender Offer to the Board of Directors meeting of the Target.

6) Ensure Objectivity that Assures the Fairness of the Offer Price

The tender offer period of the Tender Offer (the "Tender Offer Period"), where the shortest period established by law is 20 business days, has been set at 31 business days. By setting a relatively longer Tender Offer Period than the shorter period established by law, the Company can ensure the opportunity for Shareholders of the Target to make the proper decision on applying for the Tender Offer and consider securing a fair Offer Price.

2. Overview of the Tender Offer

(1) Overview of the Target

1)	Company name	DAIYOSHI TRUST Co., Ltd.	
2)	Location	4-1-36 Watanabedori, Chuo-ku, Fukuoka City	
3)	Title and name of representative	Yoshihiro Oho, President and CEO	
4)	Description of business	Parking, real estate leasing and sales, and cabin hotel businesses	
5)	Paid-in capital	261 million yen (As of February 28, 2013)	
6)	Date established	May 18, 1976	
7)	Major shareholders and shareholding ratio (As of February 28, 2013)	Yoshihiro Oho	61.03%
		Ko Ikeda	5.55%
		Takafumi Sugimoto	2.03%
		Yusuke Sato	1.53%
		Masaichi Okumura	1.50%
		Seizaburo Wakasugi	1.35%
		Yuzuru Saito	1.23%
		Haruyuki Mitsuyama	0.94%
		Shintone Kasei Co., Ltd.	0.66%
		Ren Yoshida	0.66%

8)	Relationships between the Company and the Target, and others	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Transaction relationship	Not applicable
		Conditions that fall under the relevant party	Not applicable

(2) Schedule, and others

Board of Directors' Resolution	Tuesday, April 16, 2013
Date of public notice of commencement of the Tender Offer	Wednesday, April 17, 2013 A public notice shall be issued electronically, and the issuance of this notice shall be published in the *Nihon Keizai Shimbun*. URL for issuance of public notice electronically: http://info.edinet-fsa.go.jp/
Date of filing the Tender Offer Explanatory Statement	Wednesday, April 17, 2013

1) Initial Tender Offer Period:

From Wednesday, April 17, 2013 to Monday, June 3, 2013 (31 business days)

2) Possibility of extension of the above period upon request of the Target:

Not applicable

(3) Offer Price:

1,066 yen per share

(4) Grounds for Calculation of the Offer Price

1) Basis of Calculation

Upon determination of the Offer Price, the Company requested a share value calculation of the Target's common stock from Pinnacle, a third party assessor that is independent from the Company and the Target.

The Stock Valuation Analysis was obtained from Pinnacle on April 15, 2013 based on Pinnacle's calculation of the value of the Target's stock using the market price analysis, share price comparative analysis and DCF Method analysis. The Company has not obtained an opinion on the fairness of the Offer Price from Pinnacle. In addition, Pinnacle does not fall under the category of a relevant party of the Company or the Target and has no major conflict of interest concerning the Tender Offer.

According to the above Stock Valuation Analysis, the per-share values of the Target's common stock, which has been calculated based on methods used by Pinnacle and applicable methods, are as follows:

Market price analysis: from 607 yen to 927 yen
Share price comparative analysis: 729 yen to 1,495 yen
DCF Method analysis: 731 yen to 1,468 yen

First, using April 15, 2013, the business day before the announcement of the Tender Offer, as a reference date, the market price analysis determines the per-share common stock value to be between 607 yen and 927 yen is based on the closing price on the reference date (927 yen) of Target common stock on Q-Board; the simple arithmetic average of the closing share prices during the past 1-month period (808 yen); the simple arithmetic average of the closing share prices during the past 3-month period (710 yen); and the simple arithmetic average of the closing share prices during the past 6-month period (607 yen).

Next, the share price comparative analysis determines the per-share common stock value to be between 729 yen and 1,495 yen based on an analysis of the Target’s share value by comparing market values of listed companies engaged in similar businesses as the Target and comparing financial indicators that show profitability, etc.

The DCF Method analysis determines the per-share common stock value to be between 731 yen and 1,468 yen using an analysis of corporate value and share value discounting the current value with the Target’s forecasted the constant free cash flow discount rate based on the Target’s profit forecast from the fiscal year ending August 2013 onward that considers such factors as recent performance trends, current and future operating conditions and commonly available information using medium-term business plan formulated by the Target as a guideline.

The Target’s profit forecast based on the premise that Pinnacle's calculations used the DCF Method analysis includes fiscal years where significant profit increases are expected. This is primarily due to forecasted profit from the sale of large individual real estate currently in process.

Regarding its investigation of the Offer Price, the Company conducted its investigation within the scope of the DCF Method value appraisal results, which take into consideration items that reflect the Target’s future profitability and growth potential, and prioritizes DCF Method analysis results.

The Company has decided the final Offer Price of common stock per share to be 1,066 yen at a meeting of the Board of Directors held on April 16, 2013 by referring to the Stock Valuation Analysis obtained from Pinnacle and based on the results of deliberations and negotiations with Mr. Oho and deliberations with the Target, etc., taking into rational consideration financial information released by the Target, actual examples of premium conferred upon determination of the offer price in the past tender offers for the share certificates, etc., by a person other than the issuer, whether or not the Board of

Directors meeting of the Target would recommend the Tender Offer, trends in market prices of the Target's common stock over the past 6-month period, forecasts of the number of shares offered in the Tender Offer and due diligence results regarding the Target.

The Offer Price of 1,066 yen adds the values of the premium of 14.99% for the closing price on Q-Board on April 15, 2013 (927 yen), the business day before the announcement of the Tender Offer; the premium of 31.93% for the simple arithmetic average of the closing share prices during the past 1-month period until April 15, 2013 (808 yen); the premium of 50.14% for the simple arithmetic average of the closing share prices during the past 3-month period until April 15, 2013 (710 yen); and the premium of 75.62% for the simple arithmetic average of the closing share prices during the past 6-month period until April 15, 2013 (607 yen).

2) Process of Calculation

The Company will investigate full-scale entry into the lease parking lot construction and operation businesses as one option for development of new land in fiscal 2013. It is the judgment of the Company that the addition into the Daiwa House Group of the Target, which possesses a deep knowledge of the coin parking business in particular, will further accelerate the Company's path to profitability in this business as well as help establish its position in this industry and increase market share. Moreover, the Company believes that by making great use of the Daiwa House Group's real estate development and land development information gathering capabilities, the Target will be able to further enhance its growth potential and competitiveness. In addition, the Target believes that becoming a member of the Daiwa House Group will heighten the sense of trust and reassurance among the Target's existing customers and other stakeholders. In order to maximize synergistic effects of this business while comprehensively and effectively utilizing management resources, the Company considers it important to develop close links with the Target in an effort to promote flexible and agile management. To this end, the Company deems it desirable to build optimal capital relationships and, in turn, has implemented a policy of making the Target a wholly owned subsidiary of the Company. Under these circumstances, the Company began deliberations with Mr. Oho, the Target's president and CEO and largest shareholder, in late November 2012. Subsequently, the Company approached Oho about submitting a letter of intent for the Company's purchasing the Target's common stock held by Mr. Oho (1,649,100 shares; Holding Rate: 61.03%) on December 13, 2012, which Mr. Oho responded positively to. Consequently, on February 8, 2013, the due diligence process regarding the Target was commenced based on the acquisition of exclusive negotiating rights from Mr. Oho. Following deliberations and negotiations with Mr. Oho and receiving the results of the due diligence process, the Company submitted its final letter of intent to Mr. Oho on March 22, 2013 and moved forward with numerous deliberations and negotiations with the Target from February 2013 onward. Through these deliberations and negotiations, the Company's Board of Directors resolved to undertake the Tender Offer on April 16, 2013 and the Company entered into the Share Tender Agreement with Mr. Oho; the process for deciding on the Offer Price at said Board of Directors' meeting is as follows.

(i) Name of the Third Party Whose Opinions Were Heard during the Calculation

Upon determination of the Offer Price, the Company has requested a share value calculation of the Target's common stock from Pinnacle, a third party assessor that is independent from the Company and the Target.

Pinnacle calculated the Target's share price by using a market price analysis, a share price comparative analysis and the Discounted Cash Flow Method; the Company obtained Pinnacle's Stock Valuation Analysis on April 15, 2013. The Company did not obtain an opinion from Pinnacle regarding the fairness of the Offer Price (Fairness Opinion). In addition, Pinnacle does not fall under a relevant party of the Company or the Target and has no major conflict of interest concerning the Tender Offer.

(ii) Summary of the Applicable Opinion

According to the above Stock Valuation Analysis, the per-share values of the Target's common stock, which has been calculated based on methods used by Pinnacle and applicable methods, are as follows:

Market price analysis: from 607 yen to 927 yen
Share price comparative analysis: 729 yen to 1,495 yen
DCF Method analysis: 731 yen to 1,468 yen

First, using April 15, 2013, the business day before the announcement of the Tender Offer, as a reference date, the market price analysis determines the per-share common stock value to be between 607 yen and 927 yen is based on the closing price on the reference date of Target common stock on Q-Board (927 yen); the simple arithmetic average of the closing share prices during the past 1-month period (808 yen); the simple arithmetic average of the closing share prices during the past 3-month period(710 yen); and the simple arithmetic average of the closing share prices during the past 6-month period (607 yen).

Next, the share price comparative analysis determines the per-share common stock value to be between 729 yen and 1,495 yen based on an appraisal of the Target's share value by comparing market values of listed companies engaged in similar businesses as the Target and comparing financial indicators that show profitability, etc.

The DCF Method analysis determines the per-share common stock value to be between 731 yen and 1,468 yen using an analysis of corporate value and share value discounting the current value with the Target's forecasted constant free cash flow discount rate based on the Target's profit forecast from the fiscal year ending August 2013 onward that considers such factors as recent performance trends, current and future operating conditions and commonly available information using medium-term business plan formulated by the Target as a guideline.

The Target's profit forecast based on the premise that Pinnacle's calculations used the DCF Method analysis includes fiscal years where significant profit increases are expected. This is primarily due to forecasted profit from the sale of large individual real estate currently in process.

Regarding its investigation of the Offer Price, the Company conducted its investigation within the scope of the DCF Method value appraisal results, which take into consideration items that reflect the Target's future profitability and growth potential, and prioritizes DCF Method analysis results.

(iii) Circumstance Leading to the Deciding of the Offer Price based on Said Opinion

The Company has decided the final Offer Price of common stock per share to be 1,066 yen at a meeting of the Board of Directors held on April 16, 2013 by referring to the Stock Valuation Analysis obtained from Pinnacle and based on the results of deliberations and negotiations with Mr. Oho and deliberations with the Target, etc., taking into rational consideration financial information released by the Target, actual examples of premium conferred upon determination of the offer price in the past tender offers for the share certificates, etc., by a person other than the issuer, whether or not the Board of Directors meeting of the Target would recommend the Tender Offer, trends in market prices of the Target's common stock over the past 6-month period, forecasts of the number of shares tendered in the Tender Offer and due diligence results regarding the Target.

3) Relationship with the Assessor

Pinnacle, a third party assessor that is independent from the Company and the Target, does not fall under the category of a relevant party of the Company or the Target and has no major conflict of interest concerning the Tender Offer.

(5) Numbers of Shares etc., to be Purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
2,702,100 shares	1,649,100 shares	— shares

(Note 1) If the total number of share certificates, etc. tendered in the Tender Offer is less than the minimum limit to the number of shares planned to be purchased (1,649,100 shares), none of the share certificates, etc. will be purchased in the Tender Offer. If the total number of share certificates, etc. tendered in the Tender Offer exceeds minimum limit to the number of shares planned to be purchased (1,649,100 shares), all share certificates, etc. will be purchased.

(Note 2) The Number of Shares to be Purchased box lists the maximum number of Target shares, etc. that can be obtained by the Tender Offeror through the Tender Offer. Said maximum number 2,702,100 shares indicates the total number of the Target's issued and outstanding shares as of February 28, 2013 as listed in the Target's 2nd quarter, 38th fiscal period report submitted on April 10, 2013.

(6) Change in the Shareholding Ratio of Shares, etc. Due to the Tender offer

Number of Voting Rights Represented by the Share Certificates, etc., held by the Tender Offeror Before the Tender Offer, etc.	–	(Shareholding Ratio of Share Certificates, etc. Before the Tender Offer: –%)
Number of Voting Rights Represented by the Share Certificates, etc., to be Purchased	27,021	(Shareholding Ratio of Share Certificates, etc. After the Tender Offer: 100.00%)
Total Number of Voting Rights of All Shareholders of the Target	27,021	

(Note 1) The "Number of Voting Rights Represented by the Share Certificates, etc., to be Purchased" indicates the number of the voting rights regarding the shares to be purchased at the Tender Offer (2,702,100 shares).

(Note 2) The "Total Number of Voting Rights of All Shareholders of the Target" indicates the number of voting rights of all of the shareholders as of February 28, 2013, as described in the Target's 2nd quarter, 38th fiscal period report (submitted on April 10, 2013).

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

(7) Aggregate Offer Price: 2,880 million yen

(Note) The "Aggregate Offer Price" is the amount obtained by multiplying the number of shares planned to be purchased in the Tender Offer (2,702,100 shares) by the Offer Price per share (1,066 yen).

(8) Method of Settlement

1) Name and Address of Head Office of Financial Instruments Firm/Bank, etc., in Charge of Settlement

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

2) Commencement Date of Settlement Friday, June 7, 2013

3) Method of Settlement

A notice of purchase under the Tender Offer will be mailed to the addresses of the tendering shareholders, etc., (or the standing proxy in the case of Non-Japanese Shareholders, etc.) without delay after the end of the Tender Offer Period.

Purchase will be made by cash. The Offer Price of the purchased share certificates, etc., under the Tender Offer will be paid by way of remittance without delay from Commencement Date of Settlement onward by the Tender Offer Agent (as defined in (11) Tender Offer Agent), in accordance with the instructions given by each tendering shareholder (or the standing proxy in the case of Non-Japanese Shareholders, etc.), to the locations designated by each tendering shareholder (or the standing proxy in the case of Non-Japanese Shareholders, etc.).

4) Methods of Return of Share Certificates, etc.

In the event that all of the tendered share certificates, etc., were not purchased based on the conditions stated below in "1) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Financial Instruments and Exchange Act and Details of Any Such Conditions" and "2) Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosure of Withdrawal" of "(9) Other Conditions and Methods of Tender Offer", the Tender Offer Agent shall return on the second business day after closing date of the Tender Offer Period (if the Tender Offer was withdrawn, the day of such withdrawal), unpurchased share certificates, etc., that are required to be returned to the accounts of the tendering shareholders with the status of time of the tendering (the status of the time of the tendering refers to a situation in which the execution of the tender order for the Tender Offer has been cancelled).

(9) Other Conditions and Methods of the Tender Offer

1) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Financial Instruments and Exchange Act

If the total number of share certificates, etc. tendered in the Tender Offer is less than the minimum limit to the number of shares planned to be purchased (1,649,100 shares), none of the share certificates, etc. will be purchased. If the total number of share certificates, etc. tendered in the Tender Offer exceed minimum limit to the number of shares planned to be purchased (1,649,100 shares), all share certificates, etc. will be purchased.

2) Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosure of Withdrawal

Upon the occurrence of any events listed in Article 14, Paragraph 1, Items 1.A. through 1.I. and 1.L. through 1.R., 3.A. through 3.H. and 3.J., and Article 14, Paragraph 2, Items 3 through 6 of the Cabinet Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Office Ordinance No. 321 of 1965, including subsequent revisions. "Cabinet Order"), the Tender Offeror may withdraw its offer.

With respect to the Tender Offer, events stipulated by Article 14, Paragraph 1, Item 3.J. of the Cabinet Order, which prescribes events equivalent to those given in Article 14, Paragraph 1, Items A. through I. of the Cabinet Order, refer to events in which it becomes apparent that with regard to statutory disclosure documents filed in the past that the Target has made false statements about significant matters or omitted the inclusion of significant matters that should have been included.

In the event that the Tender Offeror intends to withdraw, etc., the Tender Offer, it must make a public notice electronically, and notify in the *Nihon Keizai Shimbun* the fact that such public notice has been made; provided, however, if it is deemed impractical to make such public notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the Cabinet Office Regulations on Disclosing Information on Tender Offers for Stock Certificates, etc., by a Person Other Than the Issuer (Cabinet Office Ordinance No. 38 of 1990, as amended. "Cabinet Office Regulations") and forthwith make the public notice thereafter.

3) Conditions of Reduction of the Offer Price, Details thereof and Method of Disclosure of Reduction

During the Tender Offer Period, if the Target has conducted any of the acts listed in Article 13, Paragraph 1 of the Cabinet Order in accordance with provisions under Article 27-6 Paragraph 1 Item 1 of the Act, the Offer Price may be reduced in accordance with the criteria under Article 19 Paragraph 1 of the Cabinet Office Regulations.

In the event that the Tender Offeror intends to reduce the Offer Price, it must make a public notice electronically, and notify the fact that such public notice has been made in the *Nihon Keizai Shimbun;* provided, however, if it is deemed impractical to make such public notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the Cabinet Office Regulations and forthwith make the public notice thereafter.

If any reduction of the Offer Price is made, a purchase, etc. will also be made in accordance with the conditions, etc. after such reduction with regard to the share certificates, etc. tendered before the date such public notice is made.

4) Matters concerning Tendering Shareholders' Right to Cancel the Agreement

Tendering shareholders may cancel any agreement relating to the Tender Offer at any time during the Tender Offer Period. In order to cancel any such agreement, documents concerning such cancellation and a tender receipt (the “Cancellation Documents”) must be delivered or sent by mail to the branch office of the person designated below, on or prior to 3:30 p.m. of the last day of the Tender Offer Period (however, operating hours vary depending on the branch office. Please undertake the transaction upon verifying in advance the operating hours, etc. of the branch office to be used). If such Cancellation Documents are sent by mail, they must be received by the person designated below on or prior to 3:30 p.m. of the last day of the Tender Offer Period (however, operating hours vary depending on the branch office. Please undertake the transaction upon verifying in advance the operating hours, etc. of the branch office to be used).

Person authorized to receive the Cancellation Documents:
SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
(and other domestic branch offices of SMBC Nikko Securities Inc.)

The Tender Offeror will not make any claim for payment of damages or penalties to any tendering shareholder in relation to the cancellation of the agreement. In addition, the cost of returning share certificates, etc. will be borne by the Tender Offeror. In the case of a cancelation offer is made, the share certificates, etc. will be returned in the manner listed above in (8) Method of Settlement, 4) Methods of Return of Share Certificates, etc.

5) Method of Disclosure in the Event the Conditions, etc. of Tender Offer are Changed

During the Tender Offer Period, except in cases where prohibited by Article 27-6 Paragraph 1 of the Act and Article 13 of the Cabinet Order, the Tender Offeror may change the Tender Offer conditions. In the event the Tender Offeror intends to change the terms and conditions of purchase with respect to the Tender Offer, a public notice providing the details of the change must first be issued electronically and then a public notice to such effect will be published in the *Nihon Keizai Shimbun.* Provided, however, if it is impractical to make such public notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the Cabinet Office Regulations and forthwith make the public notice thereafter. In the case that the conditions change, the Tender Offeror will purchase, etc. shares tendered prior to the date of such public notice in accordance with the changed terms and conditions.

6) Method of Disclosure if Amendment to the Tender Offer Statement is Filed

In the event an Amendment to the Tender Offer Statement is filed with the Director of the Kanto Local Finance Bureau in Japan, the Tender Offeror must publicly and promptly announce the contents of the Amendment to the Tender Offer Statement regarding the public notice of the commencement of the Tender Offer, in a manner prescribed in Article 20 of the Cabinet Office Regulations. The Tender Offeror shall also promptly amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to the tendering shareholders who have received the Tender Offer Explanatory Statement prior to the amendment. However, if the amendments are limited to minor sections in the Tender Offer Explanatory Statement, the Tender Offeror will amend the Tender Offer Explanatory Statement by delivering to the tendering shareholders a document stating the reasons for such amendments, the items that have been amended, and the contents of the amendments.

7) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced in accordance with the procedures prescribed in Article 9-4 of the Cabinet Order and in Article 30-2 of the Cabinet Office Regulations on the date immediately following the last day of the Tender Offer Period.

8) Other

The Tender Offer shall not be conducted, directly or indirectly, within the United States or targeted for the United States, nor by using US mail or other methods and measures of interstate commerce or international commerce (including but not limited to telephone, telex, facsimile, e-mail, internet communication), not through securities exchange facilities in the US. No tender in the Tender Offer may be made using the methods or measures above nor through the facilities above or from within the US.

Also, the Tender Offer Statement regarding the Tender Offer or related purchase documents will not be sent or distributed within the US, to the US or, from the US by post or other methods, nor shall such delivery or distribution be conducted. A tender to the Tender Offer which directly or indirectly violates the limitations above may not be accepted.

Those applying (in the case of a Non-Japanese Shareholder, its standing proxy) for the Tender Offer are required to make the following representations and warranties.

Tendering shareholders, etc. are not present in the US either upon the tender, or the delivery of the tender offer application form. The tending shareholder has not received or sent information within, to, or from the US regarding the Tender Offer. Regarding the purchase or the signature and delivery of the tender offer application form, there are no direct or indirect uses of US mail or other methods or measures of interstate commerce or international commerce (including but not limited to telephone, telex, e-mail, internet communication), nor securities exchange facilities in the US. The tendering shareholders, etc. are not to act as the agent, trustee or the mandatory of other parties without discretion (excluding cases where such other parties give all instructions regarding the purchase from outside the US).

(10) Public Notice Date of the Commencement of the Tender Offer: Wednesday, April 17, 2013

(11) Tender Offer Agent: SMBC Nikko Securities Inc.

3. Policies, etc. after the Tender Offer and Future Outlook

(1) Policies, etc. after the Tender Offer

Please refer to "2) Management Policy following the Tender Offer" under "1. Objectives of the Tender Offer, etc." regarding policies, etc. after the Tender Offer.

(2) Future Outlook

The Tender Offer will have no material impact on the consolidated earnings of the Company.

4. Others

(1) Existence and Details of the Agreement between the Company and the Target or its Officers

1) Recommendation of the Tender Offer

According to the Target's Press Release, in light of the explanation about the valuation of the Target's shares by Josui Consulting and the legal advice provide by the law office of Nagashima Ohno & Tsunematsu, the Target conferred and negotiated with the Company multiple times about the Offer Price and Procedures for Turning the Target into a Wholly Owned Subsidiary including the conditions of the Tender Offer. On that basis, the Board of Directors meeting of the Target carefully discussed and examined the conditions of the Tender Offer based on the investigation and opinions of the special committee taking into account the Stock Valuation Report obtained from Josui Consulting and the explanation of the relevant calculation results. As a result, it was determined that having the Target become a member of the Group will pave the way to new business development leveraging the Company's resources and that the Procedures for Turning the Target into a Wholly Owned Subsidiary will contribute to raising the Target's corporate value. Further, based on the calculation results in Josui Consulting's Stock Valuation Report indicating that a substantial premium has been applied in consideration of the market price trends of the Target shares, as well as the special committee's investigation and opinions, it was determined that the Offer Price is a fair price for the Target's shareholders and that the Tender Offer provides opportunities for Shareholders of the Target to sell their common shares at a reasonable price. In addition, based on the fact that the Offer Price and the amount of consideration granted to shareholders by the subsequent Procedures for Turning the Target into a Wholly Owned Subsidiary are identical, the transition to the Procedures for Turning the Target into a Wholly Owned Subsidiary is conditioned on there being more tenders than the number of shares (2,175,700 shares, Holding Rate: 80.52%), which serves as a mechanism for respecting the will of minority interests, and other factors, the conditions of the Procedures for Turning the Target into a Wholly Owned Subsidiary are considered fair. Therefore, the Board of Directors meeting of the Target held on April 16, 2013 decided in favor of the Tender Offer by a unanimous decision of the attending directors based on the presence of all directors who have no interest in the decision. The Board of Directors also resolved to recommend that the Target shareholders tender in the Tender Offer. Mr. Oho, the president and CEO, could have a conflict of interest with respect to the Tender Offer due to the conclusion of the Share Tender Agreement under which Mr. Oho shall tender all of the Target's common stock held by him (1,649,100 shares, Holding Rate: 61.03%) ins the Tender Offer. From the standpoint of maintaining fairness and neutrality in Target decision-making, he has not discussed or negotiated with the Company from the position of the Target's director nor has he participated in the deliberations or decisions of the aforementioned Board of Directors meeting.

All corporate auditors of the Target attend the Board of Directors meeting and none of them have expressed any objection to views concerning Procedures for Turning the Target into a Wholly Owned Subsidiary including the Tender Offer to the Board of Directors meeting of the Target.

2) Details of the Agreement between the Company and the Target

The Company and the Target concluded the Tender Offer Recommendation Agreement on April 16, 2013. The following is a summary of the Tender Offer Recommendation Agreement.

(a) Until the end of the Tender Offer Period established in the Tender Offer, the Target shall be in agreement with the Tender Offer and sustain the unanimous Board of Directors' resolution (with all directors in attendance) to recommend the Tender Offer, and will not withdraw or change such resolution. However, if it is rationally determined that to sustain the resolution to recommend the Tender Offer will result in violation of duty of care of a director or corporate auditor of the Target, the Target may withdraw or change the resolution of recommendation. In such cases, however, the Target shall faithfully enter into deliberations with the Company prior to the passing the said resolution of the Board of Directors.
(b) From the date of the Tender Offer Recommendation Agreement onward, the Target shall not engage in or induce any actions, including soliciting, proposing, deliberating, negotiating and providing information and approaching, regarding transactions competing the Tender Offer including acquisition of the Target's common stock through a tender offer or other methods between the Target and any outside third parties other than the Company (excluding cases in which proposals regarding the above transaction are made to the Target by a third party without any actions taken by the Target);

or transactions that impede the Company’s acquisition of the Target’s common stock through the Tender Offer (including mergers with third parties, share swaps or corporate divestitures and other organizational restructuring implemented by the Target).

(c) The Target shall make reasonable efforts in consultation with the Company to procure the employee shareholding association to subscribe all of the Target’s shares held by it in the Tender Offer.

(d) If the Tender Offer is completed, the Target shall work to maintain management systems as of the date of the Tender Offer Recommendation Agreement, unless otherwise agreed upon with the Company, until Target executives designated by the Company are appointed. If the Tender Offer is completed, the Target shall promptly hold a general shareholders’ meeting at which a motion will be submitted to appoint Target executives reasonably designated by the Company when separately requested by the Company.

(e) Following the completion of the Tender Offer, the Company shall make reasonable efforts to maintain employment based on equivalent employment conditions by confirming the Target's basic business management policies used by Target employees to date.

(f) Until the Commencement Date of Settlement following the Tender Offer Recommendation Agreement, the Target shall execute operations and manage assets based on the care and attention of effective managers and using normal business execution methods that remain essentially the same as prior to the day prior to the Tender Offer Recommendation Agreement. If the Target engages in actions that exceed the regular business operations, including paying dividends from surplus, changing its capital composition and engaging in organizational restructuring, written approval must be received from the Company in advance.

(g) In cases that the total number of the Target’s common stock tendered in the Tender Offer exceeds 2,175,700 shares, and if the Company fails to purchase all of the Target’s shares through this Tender Offer, the Target shall extend the necessary cooperation in order to undertake procedures designated by the Company following the completion of the Tender Offer to ensure that the Company will be only one shareholder of the Target.

3) Details of the Agreement between the Company and Officers

On April 16, 2013, the Company concluded the Share Tender Agreement with Mr. Oho under which Mr. Oho shall tender all of the common stock (1,649,100 shares, Holding Rate: 61.03%) of the Target held by Mr. Oho as of April 16, 2013. Further, the Share Tender Agreement has no preconditions that need to be satisfied.

(2) Other information that is determined to be necessary for investors to determine whether or not to tender in the Tender Offer

1) Earnings Forecast Revision

In a press release dated April 8, 2013, the Target announced “Notice Concerning Earnings Forecast and Earnings Discrepancy for the First Half of Fiscal Year Ending August 31, 2013, and Full-Year Earnings Forecast Revision.” According to said announcement, the Target’s “First Half

Earnings Forecast and Earnings Discrepancy for the Fiscal Year Ending August 31, 2013 (Sept. 1, 2012 to Feb. 28, 2013)" and "Full-Year Earnings Forecast Revision for the Fiscal Year Ending August 31, 2013 (Sept. 1, 2012 to Aug. 31, 2013)" were as follows. Please refer to the said announcement for details. The following overview of the public announcement is an excerpt from the details publicly announced by the Target, and the Company is not in the position to independently examine the accuracy and the credibility of those details, and has not actually conducted such examination. Please refer to the said announcement for details.

Earnings Forecast and Earnings Discrepancy for the First Half of Fiscal Year Ending August 31, 2013 (Sept. 1, 2012 to Feb. 28, 2013)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous forecast (A)	Million yen 2,051	Million yen 224	Million yen 152	Million yen 80	Yen 29.67
Actual (B)	2,961	446	381	314	116.21
Change (B – A)	909	221	228	233	—
Change (%)	44.3	98.7	149.7	291.6	—
(Ref.) Previous first half results (fiscal year ended August 31, 2012)	2,191	354	299	153	58.24

Full-Year Earnings Forecast Revision for the Fiscal Year Ending August 30, 2013
(Sept. 1, 2012 to Aug. 31, 2013)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous forecast (A)	Million yen 5,201	Million yen 694	Million yen 547	Million yen 312	Yen 115.71
Revised forecast (B)	5,492	727	596	384	142.31
Change (B – A)	291	32	48	71	—
Change (%)	5.6	4.7	8.8	23.0	—
(Ref.) Previous results (fiscal year ended Aug. 31, 2012)	4,488	630	528	272	102.24

2) Dividend Forecast Revision

On April 16, 2013, the Target announced "Notice Concerning Dividend Forecast Revision for the Fiscal Year Ending August 31, 2013." According to said announcement, at the Board of Directors meeting of the Target held on April 16, 2013, the Target decided not pay a year-end dividend for the fiscal year ended August 31, 2013, revising its dividend forecast for the fiscal year ending August 31, 2013 on the condition that 2,175,700 shares or more of common stock of the Target is tendered in the Tender Offer and the Tender Offer is completed.

Note: All DAIYOSHI TRUST Co., Ltd. press releases are released in Japanese only.

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