

[Translation]

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To whom it may concern:

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Representative: Hideki Kaneko,
Representative Director and
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(Code No.: 4340, TSE First
Section)
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Announcement concerning Implementation of MBO and Recommendation to Tender

Simplex Holdings, Inc. (the “Company”) hereby announces that at a meeting held as of the date hereof, the board of directors of the Company has resolved to express an opinion in favor of the tender offer (“Tender Offer”) by SCK Holdings Co., Ltd. (“Tender Offeror”) for the Company’s ordinary shares and share options, conducted as part the series of transactions for the Company to become a wholly-owned subsidiary of the Tender Offeror by means of a management buyout (MBO) (Note), and to recommend the shareholders of the Company to accept the Tender Offer, and with respect to the holders of the share options, to leave the decision of whether or not to tender their the share options in the Tender Offer to their own judgments.

The decision of the board of directors has been made on the premises that the Tender Offeror intends to make the Company a wholly-owned subsidiary through the Tender Offer and subsequent transactions, and that the ordinary shares of the Company (“Company Shares”) will be delisted.

(Note) A management buyout (MBO) generally refers to the acquisition of shares of a Company with funds provided, in whole or in part, by the management of the Company, based on the presumption that the Company’s business will continue.

1. Overview of the Tender Offeror

(i) Name	SCK Holdings Co., Ltd.
(ii) Address	5-1 Marunouchi 1 Cho-me, Chiyoda-ku, Tokyo
(iii) Name and title of representative	Thomas Mayrhofer, Representative Director
(iv) Businesses	Acquisition and retention of the share certificates, etc. of the Company

(v)	Amount of capital	50,000 yen	
(vi)	Date of incorporation	April 1, 2013	
(vii)	Major shareholders and shareholding ratio	CJP SPX Holdings, L.P.	50%
		KARITA & Company Micronesia Inc.	50%
(viii)	Relationship between the listed company and the Tender Offeror		
	Shareholding	Not applicable.	
	Personnel	Not applicable.	
	Trading	Not applicable.	
	Applicability as a related party	Not applicable.	

2. Opinion regarding the Tender Offer, and Basis and Reasons thereof

(1) Opinion regarding the Tender Offer

As of the date hereof, the board of directors of the Company resolved to express an opinion in favor of the Tender Offer, and to recommend the shareholders of the Company to accept the Tender Offer. On the other hand, with respect to the holders of the Share Options (Note), the board of directors of the Company resolved to leave the decision of whether or not to tender their the Share Options in the Tender Offer to their own judgments.

The decisions of the board of directors above have been made in accordance with such procedures provided under “(4) Measures to Ensure Fairness for the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below.

(Note) “Share Options” shall mean (a) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Company held on June 20, 2003 and the board of directors meeting of the Company held on July 24, 2003 (“Series 3 Share Options”); (b) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Company held on June 16, 2004 and the board of directors meeting of the Company held on July 26, 2004 (“Series 4 Share Options”); (c) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Company held on June 28, 2005 and the board of directors meeting of the Company held on October 26, 2005 (“Series 5 Share Options”); (d) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Company held on June 26, 2006 and the board of directors meeting of the Company held on June 14, 2007 (“Series 6 Share Options”); (e) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Company held on June 21, 2008 and the board of directors meeting of the Company held on January 15, 2009 (“Series 7 Share Options”); (f) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Company held on June 20,

2010 and the board of directors meeting of the Company held on February 2, 2011 (“Series 8 Share Options”); and (g) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Company held on June 17, 2012 and the board of directors meeting of the Company held on November 28, 2012 (“Series 9 Share Options”), collectively.

According to the 15th term securities report submitted by the Company on June 18, 2012 (the “15th Term Securities Report”), as of May 31, 2012, there were 95 units of share options issued pursuant to the resolutions adopted at the annual general shareholders’ meeting of the Company held on June 25, 2002 and the resolution of the board of directors of the Company held on November 12, 2002. However, the Company reported that such share options have been extinguished on June 25, 2012 due to the expiration of the exercise period. Therefore, these share options are not subject to the Tender Offer and are not included in the Share Options.

(2) Basis and Reasons of the Opinion regarding Tender Offer

(i) Overview of the Tender Offer

The Company has received the following explanation from the Tender Offeror with respect to the overview of the Tender Offer.

The Tender Offeror is a stock company established on April 1, 2013, mainly for the purpose of the acquisition and retention of the Company Shares and the Share Options through the Tender Offer. With respect to the Tender Offeror’s shares, 50.00% is owned by CJP SPX Holdings, L.P., an investment fund affiliated with the Carlyle Group (described below) and a limited partnership established under the laws of the Cayman Islands on April 2, 2013 (“Carlyle Fund”), and the other 50.00% is owned by KARITA & Company Micronesia Inc. (“K&CM”), which was established by KARITA & Company Inc. (“K&C”) on April 26, 2012 under the laws of Micronesia.

The Carlyle Group is an alternative investment company that has operations worldwide. As of the end of December 2012, the Carlyle Group managed 113 funds and 67 funds-of-funds, with total managing assets of approximately 170 billion dollars. Since its establishment in 1987, the Carlyle Group has been involved with approximately 450 buyout projects. It has over 1,400 employees at its 33 locations spread over six continents. The Carlyle Group invests in a wide range of industries, including technology businesses similar to the Company, with respect to four fields: corporate private equity, real assets, global market strategy, and funds of funds solutions. In Japan, Carlyle Japan Partners II, which is the second buyout fund for Japan, has investment funds of 165.6 billion yen as of the date hereof, which is as large as one of the largest investment funds in Japan, and it actively provides management support to its invested companies to maximize their corporate value.

K&C is a buyout fund management company established in May 2007. It consists of members who have experience in creating new value as managers of business companies and rich expertise in investment and exit as fund managers. The corporate philosophy of K&C is to attain “overall satisfaction” for each stakeholder through maximization of corporate value in a rational manner, which is achieved by understanding the mentality of executives and their communicative practices and sharing detailed approaches with executives. K&C assists companies whose needs for brand revitalization, business reorganization and business

succession may make them appropriate investment targets by arranging new business opportunities, solving management challenges and improving personnel and teams.

The Tender Offeror has decided to acquire all of the Company Shares (excluding treasury shares owned by the Company) and the Share Options, and to conduct the Tender Offer as part of the transaction to delist the Company Shares (the "Transaction").

The Tender Offer will be conducted as part of a management buyout (MBO) with the support of the board of directors of the Company in order to acquire the Company Shares and the Share Options in a friendly manner.

On June 13, 2013, the Tender Offeror executed an Agreement to Tender Shares in the Tender Offer (the "Share Tender Agreement") with each of Mr. Yoshihiro Mikami, who is a founding member and, as its largest shareholder, a material shareholder of the Company ("Mr. Mikami", number of shares held: 128,375 shares, Shareholding Ratio (which refers to the ratio, rounded to the nearest hundredth digit, of shares held against 589,955 shares, which is the total issued shares of the Company as of December 31, 2012, as stated in the 16th Term 3rd Quarter Report submitted by the Company on February 12, 2013 (the "16th Term Q3 Report"): 21.76%), Mr. Hideki Kaneko, who is the third largest shareholder and founding member and representative director and president of the Company ("Mr. Kaneko", number of shares held: 37,085 shares, Shareholding Ratio: 6.29%), Mr. Mitsuru Igarashi, who is the fourth largest shareholder and director and vice president of the Company ("Mr. Igarashi", number of shares held: 29,675 shares, Shareholding Ratio: 5.03%), and Mr. Keigo Fukuyama, who is the fifth largest shareholder of the Company and the operating officer of Simplex Consulting, Inc. which is a subsidiary of the Company ("Mr. Fukuyama", number of shares held: 23,250 shares, Shareholding Ratio: 3.94%) (Mr. Mikami, Mr. Kaneko, Mr. Igarashi and Mr. Fukuyama, collectively, are the "Tendering Shareholders"), respectively. Under these Share Tender Agreements, the Tendering Shareholders have agreed to tender in the Tender Offer all of the Company Shares held by the respective Tendering Shareholders (total number of shares held: 218,385 shares, Shareholding Ratio: 37.02%) as well as the Company Shares (1,225 shares) that Mr. Igarashi will come to own as a result of exercising the Series 3 Share Options that Mr. Igarashi holds (49 units). Out of the 37,085 Company Shares that Mr. Kaneko owns, the Nomura Trust and Banking Co., Ltd. ("Nomura Trust and Banking") has a security interest in 33,185 Company Shares, Societe General Private Banking (Japan), Ltd. ("Societe General Private Banking") has a security interest in 1,150 Company Shares, and Osaka Securities Finance Company, Ltd. ("Osaka Securities Finance") has a security interest in 2,750 Company Shares. However, under the Share Tender Agreement, Mr. Kaneko is required to tender in the Tender Offer all the Company Shares that he owns after terminating such security interests. Out of the 23,250 Company Shares that Mr. Fukuyama owns, Societe General Private Banking has a security interest in 7,000 Company Shares, and Mita Securities Co., Ltd. ("Mita Securities") has a security interest in 2,100 Company Shares. However, under the Share Tender Agreement, Mr. Fukuyama is required to tender in the Tender Offer all the Company Shares that he owns after terminating such security interests. According to Mr. Kaneko and Mr. Fukuyama, no agreement regarding the termination of these security interests has been executed with the holders of these security interests as of the date hereof, but negotiations to terminate these security interests will be held after the date hereof. For the overview of the Share Tender Agreements, please see "3. Matters on Material Agreement(s) regarding the Acceptance of the Tender Offer between the Tender Offeror and the Company's Shareholders" below. The Tender Offeror plans to have Mr. Kaneko and Mr. Igarashi to remain, respectively, as the representative director and member of the management of the Company after the Tender Offer. Upon completion of the Tender Offer, Carlyle Fund and K&CM (collectively, "Sponsor Funds"), who are shareholders of the

Tender Offeror also plans to execute management agreements with Mr. Kaneko and Mr. Igarashi that include provisions obliging Mr. Kaneko and Mr. Igarashi to remain, respectively, as the representative director and member of the management of the Company.

After the settlement of the Tender Offer, Mr. Kaneko, Mr. Igarashi, and Mr. Fukuyama are planning to newly invest a total of 2,081 million yen (which constitutes of 1,307 million yen by Mr. Kaneko, 699 million yen by Mr. Igarashi, and 75 million yen by Mr. Fukuyama) in the Tender Offeror out of the amount received through tendering in the Tender Offer.

The Tender Offeror has established the minimum number of shares to be purchased at the Tender Offer. If the total number of tendered shares (see Note below) falls below 393,567 shares (Shareholding Ratio: 66.71 %), none of the tendered shares will be purchased. On the other hand, the Tender Offeror has not established any maximum number of shares to be purchased at the Tender Offer. Therefore, so long as the total number of tendered shares exceeds the minimum number of shares to be purchased, the Tender Offeror will make the purchase for all of the tendered shares. To respect the decisions of the minority shareholders of the Company, the minimum number of shares to be purchased is the number of shares that is the sum of (a) and (b), where (a) is the majority number of shares (173,957 shares, which is the number of Company Shares equivalent to the majority number of the sum of the Company Shares held by persons other than the Tendering Shareholders and the Company as of the date hereof, and the Company Shares which may result from the exercise of such number of Share Options obtained by deducting the number of Share Options that are held by the Tendering Shareholders and expected to be tendered in the Tender Offer as Company Shares after their exercise, from the number of Series 3 Share Options, Series 4 Share Options, Series 6 Share Options and Series 7 Share Options remaining as of December 31, 2012, which are Share Options which have vested and for which the exercise price is lower than the purchase price per Company Share in the Tender Offer (45,000 yen; "Tender Offer Price") as of the date hereof, i.e. "majority of minority") of the sum of (i) and (ii) below (347,912 shares), and (b) is the number of the Company Shares to be tendered by the Tendering Shareholders (a total of 219,610 shares including the number of Company Shares (1,225 shares) which may result from the exercise of Series 3 Share Options (49 units) held by Mr. Igarashi as of the date hereof). (i) is the amount calculated by subtracting (A) the number of treasury shares that the Company owned as of December 31, 2012 as stated in the 16th Term Q3 Report (29,470 shares) and (B) the number of Company Shares owned by the Tendering Shareholders as of the date hereof (218,385 shares), from the number of issued shares as of December 31, 2012 (589,955 shares) as stated in the 16th Term Q3 Report (342,100 shares); and (ii) is the maximum number of Company Shares (5,812 shares) that may result from the exercise of such number of the Share Options (1,364 units) obtained by (A) reflecting any changes up to December 31, 2012 (according to the Company, 185 units (representing 4,625 Company Shares) of the Series 3 Share Options, 3,296 units (representing 16,480 Company Shares) of Series 4 Share Options, 11,978 units (representing 11,978 Company Shares) of Series 6 Share Options and 6,390 units (representing 6,390 Company Shares) of the Series 7 Share Options have already been extinguished by December 31, 2012) to (B) the number of Company Shares (9,200 shares) which may result from the exercise of Series 3 Share Options (368 units), the number of Company Shares (18,020 shares) which may result from the exercise of Series 4 Share Options (3,604 units), the number of Company Shares (12,560 shares) which may result from the exercise of Series 6 Share Options (12,560 units) and the number of Company Shares (6,730 shares) which may result from the exercise of Series 7 Share Options (6,730 units) as of May 31, 2012 as stated in the 15th Term Securities Report, and (C) further deducting the number of Company Shares (1,225 shares) which may result from the exercise of Series 3 Share Options (49 units) owned by Mr. Igarashi

which are expected to be exercised and tendered in the Tender Offer as Tendered Shares by Mr. Igarashi, a Tendering Shareholder.

(Note) In calculating the total number of tendered shares, the Share Options are calculated based on the number of Company Shares which may result from the exercise of the respective Share Options. The same applies hereinafter.

Should the Tender Offeror fail to acquire all of the Company Shares (excluding the treasury shares held by the Company) in the Tender Offer, then after the Tender Offer, the Tender Offeror plans to request the Company to implement a set of procedures stated in “(5) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)” below and to acquire all of the issued shares of the Company other than the treasury shares held by the Company. Also, after acquiring all the Company Shares (excluding the treasury shares held by the Company) in the Transaction, the Tender Offeror plans to implement reorganization plans with the Company and its group companies (“Company Group”) including a merger.

If the Tender Offer is successfully completed, the Tender Offeror plans to accept an investment of 6,258 million yen from the Carlyle Fund and 19 million yen from K&CM, respectively, and to borrow up to a total of 20,461 million yen from the Bank of Tokyo-Mitsubishi UFJ, Ltd. (“Mitsubishi-Tokyo UFJ”), and plans to allocate these funds for the settlement of the Tender Offer. With regard to such loan from Mitsubishi-Tokyo UFJ, it is expected that all of the issued ordinary shares of the Tender Offeror and the Company Shares acquired by the Tender Offeror in the Tender Offer, etc. will be subject to security interests, and after the Company becomes a wholly-owned subsidiary of the Tender Offeror through a set of procedures stated in “(5) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)” below, that certain assets of the Company will be provided as security.

Further, after the commencement date of the settlement of the Tender Offer, the Tender Offeror is expected to receive an additional investment, which will not exceed 130 million yen, from K&CM.

(ii) Process of the Decision in Favor of the Tender Offer; Management Policy after the Tender Offer

(a) Background, etc. of the Tender Offer

Since its establishment in 1997, the Company Group has been providing solutions supporting the introduction of IT systems to the finance industry, consisting of (i) fund management and risk management for institutional investors such as financial institutions and (ii) cutting-edge financial systems solutions that are specialized for the “financial frontier” sector, a sector mainly encompassing financial institutions that aim to maximize their revenues by strategic IT investments, and which are characterized by various transactions for individual investors through the Internet. To provide solutions relating to the introduction of IT systems in the finance frontier, a very advanced expertise that integrates “advanced know-how (computational finance and work knowledge)” and “leading-edge IT technology” is required. As one of the few companies having such expertise, the Company continued to grow as a result of its original business focus and its business model has been a strong revenue producer. The Company was listed on the JASDAQ market in February 2002, on the Second Section of the Tokyo Stock Exchange in May 2004, and on the First Section of the Tokyo Stock Exchange in September 2005. Further, in October 2010, it adopted a pure holding company system aiming for further

growth. Currently, it is working closely with its seven subsidiaries which are operating companies.

The managerial environment surrounding the Company Group is changing at an unprecedented speed due to a change in business configuration, globalization associated with the expansion of the Internet, deregulation, diversification of financial products, and other changes. The fund management methods of financial institutions that are clients of the Company Group incorporate a variety of financial products offered around the world, such as foreign exchange, bonds, shares, derivatives, and others. On the other hand in recent years, transactions conducted by individual investors are expanding to the foreign exchange margin transactions (the “FX Transactions”) in addition to shares, stock futures and options. In this environment, the Company Group provides services in (i) a system development business and a system development service business, which together are called System Integration (the “SI Business”) and (ii) an Application Service Provider (ASP) business called Universal Market Service (UMS) (the “UMS Business”) to financial institutions such as banks, securities firms and trust banks which are its lead clients.

With regard to the SI Business, since its establishment the Company Group has provided the standard functions necessary for the dealing system (the “dealing system” means a system that integrates all functions necessary for the dealing service, including the trading system and the risk management system) mainly related to the fund management businesses of financial institutions, by applying know-how on cutting-edge computational finance. Further, in principle, the Company Group retains within itself such know-how and copyright obtained through system development services in the SI Business and manages the components, which are reusable when developing a new financial system, such as the “Simplex Library”. By utilizing the Simplex Library and by providing solutions to multiple financial institutions reusing the components that have been accumulated through past services, the Company Group has successfully shortened the development period, significantly reduced the cost of development, provided reliable solutions, and has built business structures that could effectively produce a significantly high profit margin in the SI Business, which is generally said to be labor-intensive. As a result, the Company Group has managed to maintain for 15 years since its establishment, a gross margin of 40%, which is a high level figure for a company engaged in the system development business.

On the other hand, while the Japanese economy remained stagnant, financial institutions continued to restructure and many of the financial institutions in Japan, the main clients of the Company Group, became aggregated. As a result, business deployment utilizing the Simplex Library has slowed, and currently, it is difficult to pursue any further improvement of the profit ratio in the SI Business. Additionally, since the system development service business, such as the SI business, is generally a “flow business” (i.e., business generating profits from sellout products), if the Company Group entirely relies on the SI Business for its earning structure, the continual and stable growth of the Company Group would become uncertain, from a medium- and long-term standpoint. Therefore, the Company Group decided, in the second midterm business plan beginning from the business year ended March 2008, to pull itself out of such position where the SI Business, which is highly labor-intensive, is the sole operating base and to establish a new business which is a “stock business” (i.e., business generating stable incomes) revenue structure, and started the UMS Business as a new key foundation. Currently, the UMS Business the Company Group provides involves systems for Internet transaction services for individual investors. When the Company Group first started the UMS Business, it first established its market share by providing transaction systems for shares, stock futures and options, and thereafter expanded its business to systems for FX Transactions. However, with

the rapid expansion of the FX Transactions market in recent years, the FX Transactions system provided by the Company Group in the UMS Business has obtained a share of 30% in the volume of domestic FX Transactions (calculated by the Company based on the data published by the Financial Futures Association of Japan), and the Company Group prides itself in that it has established a firm position in the FX Transactions market. In fact, the UMS Business, which mainly provides solutions for FX Transactions, was the heart of the Company Group's growth from the business year ended March 2008, when the Company Group started the UMS Business, to the business year ended March 2010. The UMS Business served as the engine to double the Company Group's consolidated net sales of 6,742 million yen in the business year ended March 2007 to JPY 13,970 million yen in the business year ended March 2010.

As described above, the Company Group has steadily maximized its business performance, recording in the business year ended March 2010 the highest profits since its establishment in consolidated current profits and consolidated net profits (3,009 million yen and 1,844 million yen, respectively) by starting the UMS Business, which brings stable earnings to the Company Group, as well as continuing the SI Business, which the Company has kept strong through its utilization of the Simplex Library and by pursuing efficiency.

However, the SI Business and UMS Business, which have helped maintain the business performance of the Company Group, could not remain unaffected by the long-term backslide in Japan's economy, and after recording its highest profits in the fiscal year ending in March 2010, it has faced a difficult management environment.

With respect to the SI Business, the Company has already provided the solutions to its main clients, which are securities firms affiliated with banks and semi-major general securities firms, and the increase of repeating orders from those main clients can no longer be expected, due to the continuing uncertainties in the economic environment. In addition, in light of such business conditions and forecasts regarding the semi-major general securities companies, efforts were made to shift the main client category to major financial institutions, which will potentially have a need for larger projects. However, these efforts have not progressed as far as originally expected. On the other hand, the UMS Business showed steady growth at the outset, lead by the solution for FX Transactions, and maintained a gross margin exceeding that of the SI Business (47.6%) until the business year ended March 2010. However, the oversaturation of the FX Transaction market caused competition among businesses engaging in FX Transaction to escalate, resulting in the mainstreaming of FX Transaction businesses with low-price strategies. Such trends have lead to decreases in the revenues of the Company's clients, and to the termination of FX Transaction businesses by certain of its competitors. Under the above situations, it is difficult for the Company to expect a stable income, and in fact, the gross margin is decreasing every year, being 39.4% in the business year ended March, 2011, 37.3% in the business year ended March, 2012, and 32.2% in the business year ended March 2013.

(Note) The gross margin of the UMS Business as referred above is quoted from the profit margin of the "UMS (service)", which accounts for a large portion of the sales of the UMS Business in the recent years.

As a result of the above-mentioned developments, the consolidated profit and consolidated net profit have significantly fallen in the business year ended March 2011, where these were approximately 2,514 million yen (minus 16.4% compared to the preceding business year) and 1,448 million yen (minus 21.5% compared to the preceding business year), and in the business year ended March 2012, where these were approximately 2,025 million yen (minus 19.5% compared to the preceding business year) and 1,057 million yen (minus 27.0% compared to the

preceding business year). Even though the consolidated profit and consolidated net profit have partially recovered in the business year ended March 2013, as these were approximately 2,418 million yen (plus 19.4% compared to the preceding business year) and 1,523 million yen (plus 44.0% compared to the preceding business year), the Company Group faces a difficult situation, such that the Company Group was forced to make mid-term downward adjustments to the estimated profits for three consecutive terms, the business years ending in March 2011, March 2012, and March 2013, and as a result, the Company Group was unable to achieve the final performance goals established by the second mid-term business plan. Without fundamental structural reforms, the Company's hopes for sustainable growth are uncertain.

In such a difficult environment, in December, 2012, Mr. Kaneko began initial discussions regarding the Company Group's growth strategy, including discussion on a management buyout (MBO), aiming to develop a strategy for Company Group's further growth with K&C, a company with which he had been exchanging opinions on capital policy and that has members with abundant track record in investment and exit as buyout fund managers and achievements in the creation of values as managers of business corporations. K&C collaborated with external experts to re-acknowledge the difficulties of the business environment of the Company, assessed and analyzed the management strategies and organizational structures of the Company Group to date, engaged in intensive discussions with Mr. Kaneko on the future growth strategies of the Company Group in the difficult business environment described above, and consequently reached a conclusion that the following measures are necessary in order to achieve sustainable growth for the Company Group:

(i) Strengthening the business models adopting revenue-linked charging methods such as that used in "Simplex FX", which is a part of the UMS Business, and deliberations to enter into financial service business that utilizes know-how accumulated in the financial system solution business

The Tender Offeror understands that IT investments have been viewed by the profit-generating clients of the Company as costs with little contribution to profit, and have been targets of cost cuts in a difficult management environment. The Company started offering "Simplex FX" services in August 2012 hoping to overturn such conventional views by directly linking IT investment with profit increase at financial institutions, and further, by transforming system investment by financial institutions into a highly effective tool for revenue growth, in the finance frontier sector. "Simplex FX" is a system that enables clients who are FX Transaction operators to raise dealing profits by means of an algorithm (an expression of procedures in a formulated form for solving problems in areas of computing) which integrates the Company's know-how in financial engineering, as used in "Simplex FX," during the process in which clients in the FX Transaction business receive orders from private investors and in return, the FX Transaction operator establishes a position in the market. The Company will strengthen its business model which charges a contingency fee on the additional revenue at financial institutions which is created by "Simplex FX". By actively involving itself in the creation of additional revenue by the clients and strengthening the business model based on revenue-linked charging methods, the Tender Offeror believes that the Company Group will be able to maintain a high-level, steady, long-term revenue stream. In this area, the Tender Offeror will place highest priority on realizing 50% share in the volume of domestic FX Transactions, the target to be achieved in 2016 under "Bridge 2016" disclosed by the Company Group, at the earliest possible timing and will consider bold measures including fundamental changes to the charging methods such as the charging method of initial installation fees.

In addition to the strengthening of the business models adopting revenue-linked charging methods described above, the Company Group will aggressively consider entering into the financial service business itself through utilization of the know-how accumulated in the financial system solution business. The Company Group has achieved revenue-linked charging for client financial institutions by engaging in development of systems that strongly support asset management business, etc. conducted by financial institutions, and by contributing to the increase of dealing profits, the core competence of FX Transaction operators, through “Simplex FX” which is a part of the UMS Business. However, it needs to consider entering into the financial service business itself in order to realize growth of the Company Group in the medium to long term. Services provided by financial institutions include many unique services that are closely related with the IT system and are made possible only with the functions and capabilities of the IT system, such as the use of sophisticated algorithms and instant, large volume and diverse transactions for business with counterparties in distant locations. Especially in the area of transactions of financial products via the Internet currently targeted by the UMS Business, such trends are distinct. In such areas, not only financial businesses targeting individual investors but also financial services targeting financial institutions exist in large numbers, and with the upcoming technology innovations and market expansion, among other things, there are many chances to establish new financial services. The Tender Offeror believes that such chances are abundant especially in the FX Transactions area the Company Group concentrates in. Such financial businesses involve substantial pre-launch upfront investment risks, and, as is the same for the revenue structure of financial institutions, are directly affected by the market environment, involving a risk of the profit being highly volatile with a possibility that the performance will dip in the times of low market activities, but in the times of active market, profit increases unthinkable under a system business company’s profit structure may potentially be generated.

(ii) Launching a service targeting clients in the primary deliberation stage in the SI Business

In the SI Business, the key element will be to launch a service where the Company Group deeply involves itself in broad areas in the client’s planning of IT investment strategies or the client’s development of roadmaps, including pre-sales and consulting sales activities, in connection with the fund management business of major financial institutions. By utilizing the Company Group’s specialization in system development for financial institutions, and by being actively and aggressively involved in the development of new financial products or development in the financial frontier, which serve as a preliminary stage for creating actual projects, potential demand will be stimulated. This will contribute to the expansion of the businesses of client financial institutions, and at the same time, provide opportunities for the Company Group to receive orders for larger projects.

Particularly in light of the results of the business year ended March 2013 and the forecasts for the business year ending in March 2014 regarding major financial institutions such the three major bank groups, which were released in mid-May, 2013 showing a trend toward high-level figures, and the rapid and distinct improvement of the business environment surrounding major financial institutions, it is anticipated that the timing will arrive within a few years for financial institutions to renew their mission critical systems in the finance frontier sector. The Tender Offeror believes it is crucial that the Company deploy its competent personnel including officers and employees at the operating officer level who have had central roles in the project management of the SI Business, in a speedy, bold and concentrated manner, without fearing short-term adverse effects on the existing business, so as not to lose this huge business opportunity.

(iii) Global Expansion

In order to achieve further growth of the Company Group, it is necessary to plan development not only in the Japanese market where depopulation continues, but also in the global market, both in the SI Business and the UMS Business. As stated above, in the SI Business, there is a limit to the number of financial institutions which are potential clients of the Company Group. Therefore, there is limited hope of business expansion if the Company continues to receive orders from only Japanese companies, and the Japanese FX Transaction market is oversaturated. In order for the Company Group to maintain continuous growth, it is essential to deliver the know-how it has cultivated through the development of systems for domestic financial institutions, to overseas financial institutions.

However, (i) considering that the additional revenue of the financial institutions, which is the basis of revenue-linked fee charging, is in nature the financial business itself, the business risks involved in the business models such as “Simplex FX” are quite similar to that of the financial business rather than that of the IT business. The business risks involved will differ greatly from the risks involved in the Company Group’s current business, in that the Company’s revenue will be affected by the revenue of financial institution clients such as FX Transaction operators, as compared with receiving fixed revenue for provision of IT solutions. In addition, the business risks inherent in financial services business are also identical with the risks of the financial business itself, and are greatly different from the business risks of the IT solution business. Further, additional upfront investments including research and development costs will necessarily be incurred in launching new financial services, and changes in the fee charging method may have an adverse impact on the turnover and profits of the Company Group in the short term.

Next, (ii) it is considered that for each project, at least 2 to 3 year period is required to develop from the initial proposal stages of IT investment strategy planning and roadmap development, into the stages where the projects are actually executed and generates income from the client to the Company. This means that although the Company Group needs to immediately form sales organizations, at least a few years of decreases in revenue is expected during the formation period. In addition, regarding presales and consulting sales, it is necessary to uncover the hidden requirements of the clients, and provide voluntary and aggressive consulting. There is a substantial difference in the nature of skills required of the employees engaging in such activities compared to the skills required in the conventional system development service business of the Company Group, where the client need has already surfaced. The recruitment of competent personnel and re-education of existing employees to fulfill these requirements, may temporarily affect the Company Group’s service capacities and there is a risk of decreases in revenue of the Company Group. In addition, the increase in employment cost for the recruitment of competent personnel may cause a decrease in profit. Furthermore, as described above, as the rapid improvement of the business environment surrounding major financial institutions becomes distinct, it is crucial that the Company deploy its competent personnel including officers and employees at executive officer level who have had central roles in the project management of the SI Business, in a speedy, bold and concentrated manner, in order to appropriately seize this business opportunity regarding the renewal of mission critical systems by major financial institutions in the finance frontier sector that is anticipated to occur within a few years. As a result, it is anticipated that short-term adverse effect on the existing business of the Company is unavoidable. The more concentrated the management resources of the Company becomes in order to seize the business opportunity in the renewal of the mission

critical systems of major financial institutions, the larger the adverse effect on the existing business will become.

Upon (iii) global expansion, in addition to thorough reform of current organization systems and localization of the Simplex Library, which is for the Japanese language only, feasibility studies and analysis of each country's market environment, competition environment and characteristic business customs will be necessary, and the Company realizes the uncertainty inherent in these adjustments. In order for the Company to utilize the know-how accumulated in Japan and built a firm position overseas, it is important that bold investments be made in the short-term towards global expansion.

As explained above, the measures required for the Company Group to achieve further growth in this difficult business environment will cause significant changes in the nature of the business risks underlying the Company Group's business, and will involve series of other risks such as: a temporary decrease in revenue and profit that may continue for at least a few years caused by the short-term adverse effects on the existing business and upfront investments; and the uncertainty underlying the global expansion. In the short-term, the capital market will not necessarily be satisfied with such measures, and may cause adverse effect in the Company's stock price. Furthermore, if the Company cannot achieve its goals, there may be a situation where the Company cannot respond to the shareholders' expectations in the long-term.

After considering all these risks, Mr. Kaneko and K&C, through repeated assessments and discussions, reached the consensus that in order to further develop the Company Group in this difficult environment, and to realize the mid-to-long-term increase in its company value, it is necessary that the Company promptly carry out these measures. In order to achieve this, the current best decision for the Company Group is to delist the Company's shares by means of a management buyout (MBO), thereby avoiding a situation where current shareholders of the Company will be affected by the risks inevitably entailed in the above measures, and at the same time limiting the shareholders of the Company to the small group willing to accept such risks, thus creating a framework that enables implementation of the above measures in a speedy and bold manner under a consistent policy. Due to the fact that global expansion is one of the measures towards further growth of the Company Group, Mr. Kaneko and K&C appointed the Carlyle Group, which has a global network through its 33 offices in six continents, with wide investment experience in companies in the technology industry such as the Company Group and abundant experience with business support for maximizing company value, as a partner to support the expansion of the Company Group into overseas markets, and made discussions in detail on the implementation of a management buyout (MBO) to undertake the above measures. On March 18, 2013, Mr. Kaneko, K&C and the Carlyle Group consequently proposed the Transactions, which included this Tender Offer, to the Company, and have been engaging in deliberate discussions and negotiations with the directors of the Company excluding Mr. Kaneko and Mr. Igarashi regarding whether to undertake the Transactions and the conditions of the Transactions.

Mr. Kaneko, K&C, the Carlyle Group, and the Tender Offeror, further continued careful deliberation and negotiation of whether to proceed with the Transaction and its terms, finally deciding on the execution of the Tender Offer on June 13, 2013.

Following this Transaction, the Tender Offeror, Mr. Kaneko and Mr. Igarashi, along with the Company's employees and officers, will carry out the above measures necessary for further growth of the Company Group. The Tender Offeror is further planning to implement, after discussing with the Company following the completion of the Transaction, certain incentive

plans such as stock option for the benefit of the Company's employees and officers that, as a whole, may serve as an incentive equivalent to or exceeding the Share Options offered by the Company to its employees and officers. The Tender Offeror will carry out the above measures together with the Company's employees and officers, and will make vigorous efforts to achieve the Company's mid and long-term growth. In addition, as stated in "3. Matters on Material Agreement(s) regarding the Acceptance of the Tender Offer between the Tender Offeror and the Company's Shareholder" below, Mr. Kaneko and Mr. Igarashi will continue to manage the Company as the representative director and president and member of the management after the Tender Offer.

(b) Decision-Making Process by the Board of Directors of the Company

Upon receiving a proposal on the Transaction from the Tender Offeror, the Company has, in order to ensure the fairness of the Tender Offer Price and of the Transaction, including the Tender Offer, carefully discussed and examined the terms and conditions of the Tender Offer taking into consideration the share valuation report acquired from SMBC Nikko Securities Inc. ("SMBC Nikko Securities"), which is a third party valuation institution independent from the Company and the Tender Offeror and which is not a related party; the report dated June 13, 2013 received from the independent committee, which is independent from the Company and the Tender Offeror and consists of members that include external experts; as well as the legal advice received from Anderson Mori & Tomotsune, its legal advisor independent from the Company and the Tender Offeror, as stated in "(4) Measures to Ensure Fairness for the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below. As a result, the board of directors of the Company decided that, considering the managerial issues the Company faces and the business environment surrounding the Company Group which are stated in "(a) Background, etc. of the Tender Offer" above, it was important for the sustainable growth of the Company and further improvement of corporate value of the Company in the medium to long term, that the measures of (i) the strengthening of the business models adopting revenue-linked charging methods such as "Simplex FX" which is a part of the UMS Business, and the deliberations for entering into the financial service business that utilizes know-how accumulated in the financial system solution business, (ii) the launching of a service targeting clients in the primary deliberation stage in the SI Business, and (iii) global expansion, as proposed by the Tender Offeror, which are generally consistent with the core business plan stipulated in "Bridge 2016," the three year plan to be started in the business year ending in March 2014 disclosed by the Company on April 25, 2013, are implemented in a speedier manner and with a bolder concentration of management resources than anticipated by the Company at the time of stipulation of "Bridge 2016." However, as stated by the Tender Offeror, with respect to the implementation of the measures (ii) and (iii) above, increase of costs for the time being as well as the short-term adverse effect on the existing business of the Company is unavoidable, and risks that the turnover and profit will decrease for at least a few years are involved. With respect to the implementation of the measure (i) above, revenue fluctuation risks inherent in financial business will be involved, and further, additional upfront investments including research and development costs will necessarily be incurred. Therefore, given the fact that it is necessary to avoid influence of any inevitable risk arising from such measures to the shareholders of the Company, the delisting of the Company Shares by the Transaction will contribute to the maximization of the Company's corporate value and that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable and the Transaction including the Tender Offer is consistent with the interests of the shareholders of the Company. Therefore, the board of directors of the Company, at a meeting held on June 13, 2013, resolved, through a unanimous decision of directors present at the discussion (out of five directors, three directors present excluding Mr. Kaneko and Mr. Igarashi) to express its opinion in favor of the

Tender Offer and recommend that the shareholders of the Company accept the Tender Offer. With respect to the Share Options, the board of directors resolved, through a unanimous decision of directors present at the discussion (consisting of above three directors) to leave the decision of whether to accept the Tender Offer to the holders of the Share Options because the Share Options were granted to officers and employees of the Company as part of stock option and the reasonableness of the price of the Share Options have not been verified Company auditors who were present at the relevant board of directors meeting (out of four company auditors, four company auditors present) have stated opinions to the effect that they do not object to the above resolutions.

Mr. Kaneko, the representative director and president of the Company, and Mr. Igarashi, director and vice-president of the Company, have not participated in any discussion or resolution in the board of directors meetings of the Company regarding the Transaction including the Tender Offer, and have not participated in the discussions and negotiations between the Tender Offeror in a position of the Company, because (i) they have executed the Share Tender Agreements between the Tender Offeror, in which they agreed to tender in the Tender Offer all of the Company Shares they hold, and (ii) they are planning to make investments in the Tender Offeror after the settlement of the Tender Offer, and they therefore have structural conflict of interests between the Company in the Transaction.

Also, because the Share Options are granted as stock options and any transfer thereof is prohibited in the share options allotment agreement, the Company does not plan to approve any transfer thereof in the event the holders of the Share Options tender their Share Options in the Tender Offer.

(3) Deliberation of the Tender Offer Price

(a) Ordinary Shares

In determining the Tender Offer Price, the Tender Offeror took into consideration the current market price of the Company Shares and the trend of the market price of the Company Shares in the past six months at the First Section of the Tokyo Stock Exchange, materials disclosed by the Company such as financial reports, the results of the due diligence conducted with respect to the Company, and premium rates offered by tender offerors other than issuers in the past tender offer cases conducted in the past year, the results of discussions and negotiations with the Company, the possibilities for the Company's support of the Tender Offer and the prospect of the Tender Offer, among other things. The Tender Offeror then determined the Tender Offer Price to be 45,000 yen.

In determining the Tender Offer Price, the Tender Offeror did not obtain any valuation report of a third party institution. However, as provided above, the Tender Offeror determined the Tender Offer Price in consideration of comprehensive factors pertaining to the value of the Company's shares such as making reference to objective sources such as financial information, and premium rates used in similar past cases to the average closing share prices of the past one month period, three month period and six month period, as well as the results of the good faith discussions and negotiations with the Company.

The Tender Offer Price is a price that is obtained by adding 38.04% premium (rounded to the nearest hundredth digit, and this applies hereinafter to the calculation of premium rates) to 32,600 yen, the closing price of the Company Shares at the Tokyo Stock

Exchange on June 12, 2013, the business day immediately preceding the announcement of the Tender Offer; 16.35% premium to 38,676 yen, the simple average of the closing price of the Company Shares in the past one month period (rounding off any decimal point, and this applies hereinafter to calculation of a simple average of any closing price during a certain period); 15.96 % premium to 38,806 yen, the simple average of the closing price of the Company Shares in the past three month period; and 32.79 % premium to 33,887 yen, the simple average of the closing price of the Company Shares in the past six month period.

(b) Share Options

The Share Options were issued to officers and employees of the Company and its affiliated companies as stock options. Because the exercise of the Share Options requires the holders of the Share Options to have the position as the officer or employee of the Company at the time of exercise of the Share Options, the Tender Offeror will not be able to exercise the Share Options even if the Tender Offeror acquires them through the Tender Offer. Therefore, the Tender Offeror determined that the purchase price of the Share Options will be 1 yen per unit.

In determining the price for the purchase of the Company Shares and the Share Options at the Tender Offer, the Tender Offeror did not obtain any valuation report of a third party.

(4) Measures to Ensure Fairness for the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

The Tender Offeror and the Company recognize that the Tender Offer is implemented as a step in the Transaction conducted for a management buyout (MBO), and that there may be issues of structural conflicts of interest. Therefore, the Tender Offeror and the Company have primarily taken the following measures in order to ensure fairness of the Transaction including the Tender Offer, from the perspective of ensuring fairness of the Tender Offer Price, eliminating arbitrariness in the process of decision making regarding the decision to make the Tender Offer, and avoiding conflicts of interest (References in the paragraphs below relating to the measures implemented by the Tender Offeror is based on the explanations the Company received from the Tender Offeror).

(i) Obtaining a Share Valuation Report from a Third Party Valuation Institution Independent from the Company

The Company requested SMBC Nikko Securities, which is a third party valuation institution independent from the Company and the Tender Offeror and is not a relevant party of the Tender Offeror or the Company, to value the Company Shares in order to make a decision with regard to the Tender Offer and received a share valuation report, dated June 13, 2013, as reference material to consider the appropriateness of the Tender Offer Price (SMBC Nikko Securities has no material interest regarding the Transaction to be disclosed. In addition, the Company did not obtain any fairness opinion regarding the Tender Offer Price from SMBC Nikko Securities).

SMBC Nikko Securities considered multiple share valuation methods in order to determine the appropriate valuation methods to be used for the valuation of the Company Shares. Because the Company Shares are listed, and thus it is possible to directly ascertain the objective value of the Company Shares, SMBC Nikko Securities used the market price

method. And, because there are listed companies similar to the Company, SMBC Nikko Securities also used the comparable company method. Furthermore, because it is possible to reflect the profitability and business risks of the Company in the valuation based on the assumption that the Company is a going business, SMBC Nikko Securities also used the discounted cash flow method (“DCF Method”). The range of the per-share value of the Company Shares calculated by each of these methods is as follows:

Market price method:	From 33,887 yen to 38,806 yen
Comparable company method:	From 32,348 yen to 43,000 yen
DCF Method:	From 39,671 yen to 49,717 yen

Under the market price method, the range of the per-share value was calculated by comprehensively analyzing the simple average of the closing price at the First Section of the Tokyo Stock Exchange for the past one month, three month and six month periods, with June 12, 2013 being the base date in each case (38,676 yen, 38,806 yen and 33,887 yen, respectively (for each simple average of the share price (closing price), rounding off any decimal point)), as well as the liquidity of shares and the disclosure status, among other things.

Under the comparable company method, the range of the per-share value was calculated by first selecting listed companies with businesses similar to those of the Company (the “Comparable Companies”), and second by analyzing share values of the Company through application of a certain financial rate derived from financial values of shares of such Comparable Companies to the financial values of the Company Shares.

Under the DCF Method, the range of the per-share value was calculated by analyzing the corporate value and the share value based on the future cash flow that the Company is expected to generate after the business year ended March 2013 and discounting such future cash flow to the present value by a certain discount rate. The future cash flow was obtained based on the business plan for the business years ending in March 2014 to March 2018 provided by the Company (see Note below) (of these, the business plan for the three years from the business year ending in March 2014 corresponds with the contents of “Bridge 2016”), interviews of the Company’s management, and the trend of the Company’s recent performance, among other things.

(Note) In the business plan used as the basis of calculation of the share value under the DCF Method, no significant increase or decrease in profit is expected. In addition, the effects of the measures regarding launching of a service targeting clients in the primary deliberation stage in the SI Business, strengthening of the business models adopting revenue-linked charging methods such as that used in “Simplex FX” and global expansion, as being contemplated by the Tender Offeror, have not been considered in the business plans used in the calculation of share value under the DCF Method, because it was difficult to provide the actual estimates of their impact on the revenue at this time.

(ii) Establishment of an Independent Committee at the Company

On March 18, 2013, the board of directors of the Company resolved to establish an independent committee that consists of members who are independent from both the Company and the Tender Offeror and includes external experts (Mr. Toshio Nakajo (incumbent external auditor of the Company), Mr. Noriyuki Ogasawara (incumbent

external auditor of the Company), and Mr. Hidetaka Nishina (partner attorney at Nakamura, Tsunoda & Matsumoto), who are independent from both the Company and the Tender Offeror, were selected as the members of the independent committee. The Company has selected these three persons as the members of the independent committee from the outset and has not made any changes since) in order to exclude arbitrariness of the decision making with respect to the Tender Offer at the Company and to establish a decision-making process that ensures fairness, transparency and objectivity. The board of directors of the Company further resolved to consult the independent committee about: (i) whether the Transaction will contribute to the improvement of the corporate value of the Company; (ii) whether the Transaction is disadvantageous to minority shareholders of the Company; and (iii) the content of the announcement to be made by the board of directors with respect to the Transaction (collectively as the “Consulted Items”).

The independent committee was convened a total of 8 times during the period between March 27, 2013 and June 13, 2013 and deliberated the Consulted Items thoroughly. The independent committee received explanations on the background of the Tender Offer and the deliberation status and mentality of the Tender Offer by the Tender Offeror from Mr. Kaneko, the representative director and president of the Company, K&C and Carlyle Fund, and had questions and answers sessions. The independent committee also received explanations on the business plan of the Company and the effects of the Transaction on the corporate value of the Company, among other things, from Mr. Kenichi Tanaka and Mr. Yasuhito Fukuyama, who are the directors and vice presidents of the Company, and had questions and answers sessions.

Furthermore, in deliberating the Consulted Items, the independent committee appointed Trustees Advisory Kabushiki Kaisha (“Trustees”), which is independent from the Tender Offeror and the Company and is not a related party, as the third party valuation institution for the independent committee to ensure the transparency and rationality, and commissioned Trustees to calculate the share value of the Company. The independent committee received a share valuation report from Trustees as of June 12, 2013. The results of valuation of the shares of the Company by Trustees are as follows:

Market price method:	From 32,600 yen to 38,806 yen
Comparable company method:	From 32,483 yen to 37,159 yen
DCF Method:	From 37,453 yen to 45,481 yen

Under the market price method, the value per Company Share was evaluated with a range from 32,600 yen to 38,806 yen, based on the closing price of the Company Shares at the regular transaction of the First Section of the Tokyo Stock Exchange on June 12, 2013, the business day immediately preceding the announcement of the Tender Offer by the Tender Offeror (32,600 yen), the simple average of the closing price of the regular transaction for the past one month period (from May 13, 2013 to June 12, 2013) (38,676 yen), the simple average of the closing price of the regular transaction for the past three month period (from March 13, 2013 to June 12, 2013) (38,806 yen), and the simple average of the closing price of the regular transaction for the past six month period (from December 13, 2012 to June 12, 2013) (33,887yen).

Under the comparable company method, multiple companies were selected from among the listed companies engaging in businesses that were similar to the

Company's businesses, and the range of the per-share value per Company's ordinary share was calculated by analysis through a comparison of such factors as the market share prices and the financial indicators representing profitability.

Under the DCF Method, the value per Company Share was evaluated with a range from 37,453 yen to 45,481 yen, by analyzing the corporate value and the share value based on the future cash flow that the Company is expected to generate and discounting such future cash flow by certain discount rates to the present value. The future cash flow was obtained based on the Company's business plan, interviews with the Company's management, the risk analysis of the business of the Company, trend of the Company's recent performance, and future profits forecasts of the Company.

In the business plan used as the basis of calculation of the share value under the DCF Method, no significant increase or decrease in profit is expected. In addition, the effects of the measures regarding launching a service targeting clients in the primary deliberation stage in the SI Business, strengthening the business models adopting revenue-linked charging methods such as that used in "Simplex FX" and global expansion, as being contemplated by the Tender Offeror, have not been considered in the business plans used in the calculation of share value under the DCF Method, because it was difficult to provide the actual estimates of their impact on the revenue at this time.

The independent committee also received explanations on valuation of the Company's shares from SMBC Nikko Securities in order to take the share valuation report provided to the Company by SMBC Nikko Securities into consideration. Through such process and in careful examination of the relevant documents, on June 13, 2013, the independent committee submitted a report to the board of directors of the Company that the independent committee unanimously approved to express their opinions that the independent committee considers (i) the Transaction will contribute to the improvement of the corporate value of the Company; (ii) the Transaction is not disadvantageous to the minority shareholders of the Company; and (iii) it is reasonable for the board of directors of the Company to express an opinion in favor of the Transaction and to recommend tendering of the ordinary shares.

According to the report, the material factors considered by the independent committee in making such report were as follows:

- (i) Decision factors regarding whether the Transaction will contribute to the improvement of the corporate value of the Company:
 - (a) rationality of the understanding of the current status of the Company, (b) rationality of the explanations provided by the Tender Offeror regarding the necessity to implement the Transaction and consistency thereof with the understanding of the board of directors of the Company, (c) the non-existence of disadvantages with respect to delisting, (d) considerations for maintaining and improving the incentives offered to the employees of the Company, and (e) the appropriateness of MBO as a means;
- (ii) Decision factors regarding whether the Transaction is disadvantageous to minority shareholders of the Company:

(a) whether opportunities for the shareholders to make appropriate judgments are ensured, (b) whether arbitrariness has been eliminated from the decision making process, (c) whether objective circumstances to ensure appropriateness of the Tender Offer Price were secured, and (d) the appropriateness of the Tender Offer Price;

- (iii) Decision factors regarding the content of the announcement to be made by the board of directors of the Company with respect to the Transaction
- (a) whether the Transaction will contribute to the improvement of corporate values of the Company; and
 - (ii) whether the Transaction is disadvantageous to the minority shareholders of the Company.

The independent committee considered the above factors and decided that the factors in (i) (a) through (b) above were satisfied and therefore, the Transaction will contribute to the improvement of the corporate values of the Company, and that actual measures to satisfy the factors in (ii) (a) through (c) above have been implemented and the factor in (ii) (d) above is recognized and therefore, the Transaction is not disadvantageous to the minority shareholders of the Company. In consideration of these factors, the independent committee reached a conclusion that it is rational for the board of directors of the Company to express an opinion in favor of the Transaction and to recommend tendering of the ordinary shares.

- (iii) Advice to the Company by an Independent Law Firm

The Company received legal advice regarding the decision-making process of making the announcement of its opinion on the Tender Offer, the manner of decision-making and other points to be noted from Anderson, Mori & Tomotsune, which is a legal adviser independent from the Company and the Tender Offeror, in order to ensure the transparency and the rationality of the decision-making process of the Transaction, including the Tender Offer, among other things.

- (iv) Unanimous Approval of Directors and Auditors Who Are Not Stakeholders of the Company

The board of directors of the Company carefully deliberated terms and conditions of the Tender Offer in consideration of the share valuation report provided by SMBC Nikko Securities, the report dated June 13, 2013 provided by the independent committee and the legal advice of Anderson, Mori & Tomotsune, among other things.

As a result, the board of directors of the Company decided that, considering the managerial issues the Company faces and the business environment surrounding the Company Group which are stated in “(a) Background, etc. of the Tender Offer” in “(ii) Process of the Decision in Favor of the Tender Offer; Management Policy after the Tender Offer” in “(2) Basis and Reasons of the Opinion regarding Tender Offer” above, it was important for the sustainable growth of the Company and further improvement of corporate value of the Company in the medium to long term, that the measures of (i) the strengthening of the business models adopting revenue-linked charging methods such as “Simplex FX”, which is a part of the UMS Business, and the deliberations for entering into the financial service business that utilizes know-how accumulated in the financial system solution business, (ii) the launching of a service targeting clients in the primary deliberation stage in the SI Business, and

(iii) global expansion, as proposed by the Tender Offeror, which are generally consistent with the core business plan stipulated in “Bridge 2016,” the three year plan to be started in the business year ending in March 2014 disclosed by the Company on April 25, 2013, are implemented in a speedier manner and with a bolder concentration of management resources than anticipated by the Company at the time of stipulation of “Bridge 2016.” However, as stated by the Tender Offeror, [with respect to the implementation of the measures (ii) and (iii) above, increase of costs for the time being as well as the short-term adverse effect on the existing business of the Company is unavoidable, and risks that the turnover and profit will decrease for at least a few years are involved. With respect to the implementation of the measure (i) above, revenue fluctuation risks inherent in financial business will be involved, and further, additional upfront investments including research and development costs will necessarily be incurred]. Therefore, given the fact that it is necessary to avoid influence of any inevitable risk arising from such measures to the shareholders of the Company, the delisting of the Company Shares by the Transaction will contribute to the maximization of the Company’s corporate value and that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable and the Transaction including the Tender Offer is consistent with the interests of the shareholders of the Company. Therefore, the board of directors of the Company, at a meeting held on June 13, 2013, resolved, through a unanimous decision of directors present at the discussion (out of five directors, three directors present excluding Mr. Kaneko and Mr. Igarashi) to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company accept the Tender Offer. With respect to the Share Options, the board of directors resolved, through a unanimous decision of directors present at the discussion (consisting of above three directors) to leave the decision of whether to accept the Tender Offer to the holders of the Share Options because the Share Options were granted to officers and employees of the Company as part of stock option and the reasonableness of the price of the Share Options have not been verified. Company auditors who were present at the relevant board of directors meeting (out of four company auditors, four company auditors present) have stated opinions to the effect that they do not object to the above resolutions.

Mr. Kaneko, the representative director and president of the Company, and Mr. Igarashi, director and vice-president of the Company, have not participated in any discussion or resolution in the board of directors meetings of the Company regarding the Transaction including the Tender Offer, and have not participated in the discussions and negotiations between the Tender Offeror in a position of the Company, because (i) they have executed the Share Tender Agreements between the Tender Offeror, in which they agreed to tender in the Tender Offer all of the Company Shares they hold, and (ii) they are planning to make investments in the Tender Offeror after the settlement of the Tender Offer, and they therefore have structural conflict of interests between the Company in the Transaction.

Further, because the Share Options are granted as stock options and any transfer thereof is prohibited in the share options allotment agreement, the Company does not plan to approve any transfer thereof in the event the holders of the Share Options tender their Share Options in the Tender Offer.

(v) Securing Objective Circumstances that Ensure Appropriateness of the Price and the Fairness of the Tender Offer

The Tender Offeror has set a period for purchase at the Tender Offer (the “Tender Offer Period”) to be 36 business days, while the shortest period set forth by law is 20 business days. By setting a comparatively long Tender Offer Period, it is intended that, while ensuring the opportunity for appropriate decisions to be made on the acceptance of the Tender Offer by the shareholders and the holders of the Share Options of the Company, opportunities for persons other than the Tender Offeror to purchase the ordinary shares and the Share Options of the Company are ensured, and appropriateness of the Tender Offer Price is thereby ensured.

In addition, the Tender Offeror and the Company do not have any agreement which may restrict communications between the persons proposing competing purchase and the Company, such as an agreement including provisions for protection of transactions, which prohibit the Company from communicating with the persons proposing competing purchase. The Tender Offeror has given consideration to ensure fairness of the Tender Offer by ensuring opportunities for competing purchase, in addition to the establishment of the Tender Offer Period above.

(vi) Establishment of a Minimum Number of Shares to be Purchased

As a condition for completion of the Tender Offer, the Tender Offeror established the minimum number of shares to be purchased at the Tender Offer (393,567 shares, Shareholding Ratio: 66.71%), the minimum number of shares to be purchased is the number of shares that is the sum of (a) and (b), where (a) is the majority number of shares (173,957 shares, which is the number of Company Shares equivalent to the majority number of the sum of the Company Shares held by persons other than the Tendering Shareholders and the Company as of the date hereof, and the Company Shares which may result from the exercise of such number of Share Options obtained by deducting the number of Share Options that are held by the Tendering Shareholders and expected to be tendered in the Tender Offer as Company Shares after their exercise, from the number of Series 3 Share Options, Series 4 Share Options, Series 6 Share Options and Series 7 Share Options remaining as of December 31, 2012, which are Share Options which have vested and for which the exercise price is lower than the Tender Offer Price as of the date hereof, i.e. “majority of minority”) of the sum of (i) and (ii) below (347,912 shares), and (b) is the number of the Company Shares to be tendered by the Tendering Shareholders (including the 1,225 Company Shares which Mr. Igarashi will come to own as a result of exercising Series 3 Share Options (49 units) held as of the date hereof, and in total, 219,610 shares). (i) is the amount calculated by subtracting (A) the number of treasury shares that the Company owned as of December 31, 2012 as stated in the 16th Term Q3 Report (29,470 shares) and (B) the number of Company Shares owned by the Tendering Shareholders as of the date hereof (218,385 shares), from the number of issued shares as of December 31, 2012 (589,955 shares) as stated in the 16th Term Q3 Report (342,100 shares); (ii) is the maximum number of Company Shares (5,812 shares) that may result from the exercise of such number of the Share Options (1,364 units) obtained by (A) reflecting any changes up to December 31, 2012 (according to the Company, 185 units (representing 4,625 Company Shares) of the Series 3 Share Options, 3,296 units (representing 16,480 Company Shares) of Series 4 Share Options, 11,978 units (representing 11,978 Company Shares) of Series 6 Share Options and 6,390 units (representing 6,390 Company Shares) of the Series 7 Share Options have already been extinguished by December 31, 2012) to (B) Company Shares (9,200 shares) which may result from the exercise of such number of Series 3

Share Options (368 units), Company Shares (18,020 shares) which may result from the exercise of such number of Series 4 Share Options (3,604 units), Company Shares (12,560 shares) which may result from the exercise of such number of Series 6 Share Options (12,560 units) and Company Shares (6,730 shares) which may result from the exercise the number of Series 7 Share Options (6,730 units) as of May 31, 2012 as stated in the 15th Term Securities Report of the Company, and (C) further deducting the number of Series 3 Share Options (49 units) owned by Mr. Igarashi which are expected to be exercised and tendered in the Tender Offer as Tendered Shares by Mr. Igarashi, a Tendering Shareholder. As provided above, the Tender Offeror will not implement the Tender Offer and the Transaction without the support of the shareholders to respect the decisions of the minority shareholders of the Company.

(5) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)

The Tender Offeror plans to take the series of procedures below after the Tender Offer is completed, in order to acquire all of the issued shares of the Company (excluding the treasury shares held by the Company), in the event the Tender Offeror does not acquire all of the issued shares of the Company excluding the treasury shares held by the Company in the Tender Offer.

Specifically, after the completion of the Tender Offer, the Tender Offeror plans to request the Company to hold an extraordinary general shareholders' meeting of the Company (the "Extraordinary Shareholders' Meeting"), which includes the following proposals: (i) to partially amend the articles of incorporation to incorporate a clause which allows the Company to issue shares of a separate class from ordinary shares, in order for the Company to become a company with class shares as provided for in the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same); (ii) to partially amend the articles of incorporation to attach a compulsory acquisition provision (meaning the provision on the matters provided in Article 108, Paragraph 1, Item 7 of the Companies Act; hereinafter the same) to all ordinary shares issued by the Company; and (iii) to acquire all ordinary shares of the Company to which such compulsory acquisition provision has been attached (excluding the treasury shares held by the Company), and deliver separate class shares of the Company in exchange for such acquisition.

In the event proposal (i) above is approved by the Extraordinary Shareholders' Meeting, the Company will become a class share issuing company under the Companies Act. In order for the partial amendment of the articles of incorporation regarding (ii) above to take effect, a resolution of the class shareholders' meeting (the "Class Shareholders' Meeting") consisting of the shareholders who own the Company Shares to which the compulsory acquisition provision has been attached is necessary in addition to the resolution of the Extraordinary Shareholders' Meeting regarding (ii) above, pursuant to Article 111, Paragraph 2, Item 1 of the Companies Act. Therefore, the Tender Offeror plans to request the Company to hold the Class Shareholders' Meeting, which includes the partial amendment of the articles of incorporation in (ii) above as a proposal, on the same day as the date of the Extraordinary Shareholders' Meeting.

Where the proposals above are proposed at the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting, the Tender Offeror plans to vote in favor of each of the proposals above at the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting.

If each of the above procedures is implemented, all ordinary shares issued by the Company will be subject to the compulsory acquisition provision and all of these shares (excluding the

treasury shares held by the Company) will be acquired by the Company, and the Company's shareholders (excluding the Company) will receive separate class shares of the Company as consideration for the acquisition. However, the Company's shareholders who are to receive fractions of shares of less than one (1) share of the separate class shares will receive money obtained through sale of the shares equivalent to the total of such fractions (any fractions of less than one (1) share in such total will be rounded off), pursuant to the procedures provided in Article 234 of the Companies Act and other relevant laws and regulations. The amount of money to be paid to each shareholder as a result of sale of such shares of the Company equivalent to the total of such fractions is planned to be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by such shareholder. Furthermore, although the class and the number of shares of the Company to be delivered as consideration for the acquisition of the Company Shares subject to the compulsory acquisition provision is not determined as of today, the class and the number of shares of the Company are planned to be determined so that the number of separate class shares of the Company that must be delivered to the Company's shareholders who did not accept the Tender Offer will be a fraction of less than one (1) share, in order for the Tender Offeror to hold all of the Company's issued shares (excluding the treasury shares held by the Company). The Tender Offeror plans to complete measures to have the Company become the wholly owned subsidiary of the Tender Offeror as promptly as practically and reasonably possible after the resolutions of the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting. An application for listing is not contemplated for the separate class shares of the Company to be delivered as consideration for the acquisition of the Company Shares.

The Tender Offeror plans to request the Company to hold the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting in or around October 2013 in principle, and according to the Company Press Release, the Company plans to announce the specific procedures and timing of the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting promptly upon determination.

As the provisions under the Companies Act purporting to protect the rights of minority shareholders related to the procedures above, if the acquisition of all of the Company Shares subject to the compulsory acquisition provision in (iii) above is resolved at the Extraordinary Shareholders' Meeting, it is provided that the shareholders may petition for determination of the price for acquisition of the relevant shares pursuant to the provisions of Article 172 of the Companies Act and other relevant laws and regulations. Under this procedure, the acquisition price per share will ultimately be determined by the court.

Aside from the petition for determination of the price for acquisition of shares pursuant to Article 172 of the Companies Act provided above, in relation to the amendment of the articles of incorporation in (ii) above, it is provided that the shareholders may demand the purchase of the shares they own and petition for determination of the purchase price of the shares, pursuant to the provisions of Articles 116 and 117 of the Companies Act and other relevant laws and regulations. However, if the acquisition of the shares pursuant to the compulsory acquisition provision comes into effect, the shareholders may be determined as lacking their standing for the petition for determination of the purchase price as provided in Article 117, Paragraph 2 of the Companies Act.

Furthermore, the procedures above may require time for the implementation or may be changed to other methods with equivalent effects, depending on the circumstances of the relevant authorities' interpretation of the relevant laws and regulations, the status of shareholding of the Tender Offeror in the Company after the Tender Offer, or the status of shareholding of the

Company's shareholders other than the Tender Offeror in the Company. However, in case of such change to other methods, it is planned that the Tender Offeror will hold all of the Company's issued shares (excluding the treasury shares held by the Company) by ultimately paying money to the Company's shareholders other than the Tender Offeror who did not accept the Tender Offer. In that case, the amount of money to be paid to each shareholder of the Company other than the Tender Offeror is planned to be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by such shareholder. The specific procedures in such circumstances are planned to be announced promptly upon determination after consultation between Tender Offeror and the Company.

The Tender Offer is not intended to solicit approval of the shareholders of the Company in the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting, and shall not be interpreted in such way.

Regarding the Share Options, in the event the Tender Offer is completed without the Tender Offeror acquiring all of the Share Options, and there are unexercised Share Options remaining except for the Series 8 Share Options and the Series 9 Share Options for which the exercise period has not commenced as of the date hereof, the Tender Offeror plans to have the Company take reasonably necessary procedures for this Transaction, such as acquisition of the Share Options and requesting the holders of the Share Options to disclaim the Share Options.

Furthermore, the Tender Offeror plans to conduct the reorganization procedures including a merger with the Company Group, promptly after the implementation of each of the procedures above. The details such as specific date and time for such reorganization procedures have not been fixed.

(6) Prospect of Being Delisted and the Grounds Therefor

The Company Shares are listed on the First Section of the Tokyo Stock Exchange Market as of today. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Company Shares may be delisted in accordance with the prescribed procedures, pursuant to the delisting standards of the Tokyo Stock Exchange. Furthermore, even if the relevant standards do not apply at the time of completion of the Tender Offer, where the Tender Offer is completed, the Tender Offeror plans to acquire all the issued shares of the Company (excluding the treasury shares held by the Company), and in case each of the procedures set forth in "(5) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)" above is implemented after the Tender Offer is completed, the Company Shares will be delisted in accordance with the prescribed procedures. After the delisting, the Company Shares may not be traded on the Tokyo Stock Exchange.

3. Matters on Material Agreement(s) regarding the Acceptance of the Tender Offer between the Tender Offeror and the Company's Shareholders

According to the Tender Offeror, the Tender Offeror has executed the Share Tender Agreements with Tendering Shareholders on June 13, 2013, and the Tendering Shareholders have agreed to tender all of the Company Shares each of them holds (219,610 shares in total, shareholding ratio: 37.22%, including the 1,225 Company Shares which Mr. Igarashi will come to own as a result of exercising Series 3 Share Options (49 units) he holds as of the date hereof, and this applies in this section 3). Out of 37,085 Company Shares that Mr. Kaneko owns, Nomura Trust and Banking has a security interest over 33,185 Company Shares, Societe General Private

Banking has a security interest over 1,150 Company Shares, and Osaka Securities Finance has a security interest over 2,750 Company Shares. However, under the Share Tender Agreement, Mr. Kaneko is required to tender in the Tender Offer all the Company Shares that he owns after terminating such security interests. Out of 23,250 Company Shares that Mr. Fukuyama owns, Societe General Private Banking has a security interest over 7,000 Company Shares, and Mita Securities has a security interest over 2,100 Company Shares. However, under the Share Tender Agreement, Mr. Fukuyama is required to tender in the Tender Offer all the Company Shares that he owns after terminating such security interests. According to Mr. Kaneko and Mr. Fukuyama, no agreement regarding the termination of these security interests has been executed with the holders of these security interests as of the date hereof, but negotiations to terminate these security interests will be held after the date hereof. Furthermore, under Share Tender Agreements, (I) each Tendering Shareholder is obligated to tender all of the Company Shares in the Tender Offer subject to the following conditions: (i) the Tender Offer has commenced legally and effectively, and has not been withdrawn, (ii) there is no material error in the representations and warranties provided by the Tender Offeror to the Tendering Shareholders in the Share Tender Agreements (see Note 1 below) at any point in time from the date of execution of the Share Tendering Agreements to the commencement date of the Tender Offer, and (iii) there is no material breach of obligations under the Share Tender Agreements by the Tender Offeror (see Note 2 below), and (II) Mr. Mikami is obligated to tender all of the Company Shares in the Tender Offer subject to the condition that (iv) the board of directors of the Company, respecting the opinion of the independent committee, expresses an opinion in favor of the Tender Offer and has not cancelled such opinion, in addition to the conditions provided under (i) to (iii) in (I) above. Furthermore, under the Share Tender Agreements, Tendering Shareholders may also tender to the Tender Offer by waiving such conditions at their discretion. In addition, under the Share Tender Agreements, Tendering Shareholders are prohibited from cancelling the tender unless approved in writing by the Tender Offeror in advance.

(Note 1) Under the Share Tender Agreements, the Tender Offeror has provided the following representations and warranties to the Tendering Shareholders: (i) execution and performance of the Share Tender Agreements, (ii) legal bindingness and the enforceability, (iii) no conflict with the laws and (iv) acquisition or performance of permits and licenses.

(Note 2) Under the Share Tender Agreements, the Tender Offeror is subject to general obligations such as confidentiality.

In connection with the Tender Offer, the Sponsor Funds, who are shareholders of the Tender Offeror, executed a memorandum on June 13, 2013 with Mr. Kaneko and Mr. Igarashi (collectively, "Management Team") as well as Mr. Fukuyama (collectively with the Management Team, "Management Team, etc."). Under the memorandum, the Management Team, etc. has agreed to make tenders in the Tender Offer in accordance with the Share Tender Agreements, and if the Tender Offer is completed, to re-invest in the Tender Offeror certain portion of the purchase price of the Company Shares tendered. In addition, if the Tender Offer is completed, the Tender Offeror has agreed with Mr. Kaneko and Mr. Igarashi to execute a shareholders agreement including the items provided under "(i) Shareholders Agreement" below and a management delegation agreement including the items provided under "(ii) Management Agreement" below, and with Mr. Fukuyama to execute a shareholders agreement including the items provided under "(i) Shareholders Agreement" below. Provided, however, that items (a), (b) and (d) under "(i) Shareholders Agreement" below are intended to be included only in the agreement with Mr. Kaneko.

- (ii) Shareholders Agreement
 - (a) Matters related to the Director, Representative Director, Auditor, and other matters relating to the management of the Tender Offeror and the Company (including

surviving/new company to be survived or incorporated through the reorganization activities including mergers; the same applies hereinafter);

- (b) Matters related to the business of the Tender Offeror or the Company, or their group companies which require the prior consent of the Sponsor Funds and the contracting party from the Management Team, etc.;
 - (c) Matters concerning the transfer restrictions of the Tender Offeror's shares owned by the Management Team, etc.;
 - (d) Matters concerning the procedures for transfer of the Tender Offeror's shares owned by the Sponsor Funds and the first refusal right of the Management Team, etc.;
 - (e) Matters concerning the Sponsor Funds' drag along right against the Management Team, etc., in case of transfer of the Tender Offeror's shares owned by the Sponsor Fund; and
 - (f) Matters concerning the Management Team, etc.'s tag along right against the Sponsor Funds, in case of transfer of the Tender Offeror's shares owned by the Sponsor Funds.
- (iii) Management Agreement.
- (a) Delegation by the Sponsor Funds to the Management Team of the management of the Company and the group companies of the Company as their directors;
 - (b) Certain covenants by the Management Team in connection with his delegated duties;
 - (c) Matters concerning the remunerations of the Management Team;
 - (d) Matters concerning the term of office, the restriction of resignation and obligation of reappointment, causes for resignation and removal; and
 - (e) Matters concerning non-compete obligation, and non-solicitation obligation of other officers and employees

4. Benefits Offered by the Tender Offeror or its Special Interested Party

Not applicable.

5. Policy regarding Fundamental Policy on Control of the Company

Not applicable.

6. Questions to the Tender Offeror

Not applicable.

7. Request for Extension of the Tender Offer Period

Not applicable.

8. Outlook after the Tender Offer

Please refer to "(ii) Process of the Decision in Favor of the Tender Offer; Management Policy after the Tender Offer" in "(2) Basis and Reasons of the Opinion regarding Tender Offer", "(5) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)" and "(6) Prospect of Being Delisted and the Grounds Therefor", each in "2. Opinion regarding the Tender Offer, and Basis and Reasons thereof" above.

(Reference) "Announcement concerning Commencement of Tender Offer for Shares of Simplex Holdings, Inc." dated June 13, 2013.

[Translation]

June 13, 2013

To whom it may concern:

Company Name: SCK Holdings Co., Ltd.
Representative: Thomas Mayrhofer
Representative Director

**Announcement concerning Commencement of Tender Offer
for Shares of Simplex Holdings, Inc.**

SCK Holdings Co. Ltd. (the “Tender Offeror”) hereby announces that on June 13, 2013, it has decided to acquire the ordinary shares and share options of Simplex Holdings, Inc. (Code Number: 4340, First Section of the Tokyo Stock Exchange; the “Target Company”) through a tender offer (the “Tender Offer”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) as described below.

1. Purpose of the Purchase

(1) Overview of the Tender Offer

The Tender Offeror is a stock company established on April 1, 2013, mainly for the purpose of the acquisition and retention of the ordinary shares of the Target Company (the “Target Shares”) and the Share Options (as defined in “(ii) Share Options” in “(3) Purchase Price” in “2. Overview of the Purchase” below) through the Tender Offer. With respect to the Tender Offeror’s shares, 50.00% is owned by CJP SPX Holdings, L.P., an investment fund affiliated with the Carlyle Group (described below) and a limited partnership established under the laws of the Cayman Islands on April 2, 2013 (“Carlyle Fund”), and the other 50.00% is owned by KARITA & Company Micronesia Inc. (“K&CM”), which was established by KARITA & Company Inc. (“K&C”) on April 26, 2012 under the laws of Micronesia.

The Carlyle Group is an alternative investment company that has operations worldwide. As of the end of December 2012, the Carlyle Group managed 113 funds and 67 funds-of-funds, with total managing assets of approximately 170 billion dollars. Since its establishment in 1987, the Carlyle Group has been involved with approximately 450 buyout projects. It has over 1,400 employees at its 33 locations spread over six continents. The Carlyle Group invests in a wide range of industries, including technology businesses similar to the Target Company, with respect to four fields: corporate private equity, real assets, global market strategy, and funds of funds solutions. In Japan, Carlyle Japan Partners II, which is the second buyout fund for Japan, has investment funds of 165.6 billion yen as of the date hereof, which is as large as one of the largest investment funds in Japan, and it actively provides management support to its invested companies to maximize their corporate value.

K&C is a buyout fund management company established in May 2007. It consists of members who have experience in creating new value as managers of business companies and rich expertise in investment and exit as fund managers. The corporate philosophy of K&C is to attain “overall satisfaction” for each stakeholder through maximization of corporate value in a rational manner, which is achieved by understanding the mentality of executives and their communicative practices and sharing detailed approaches with executives. K&C assists companies whose needs for brand revitalization, business reorganization and business

succession may make them appropriate investment targets by arranging new business opportunities, solving management challenges and improving personnel and teams.

The Tender Offeror has decided to acquire all of the Target Shares (excluding treasury shares owned by the Target Company) and the Share Options, and to conduct the Tender Offer as part of the transaction to delist the Target Shares (the “Transaction”).

The Tender Offer will be conducted as part of a management buyout (MBO, which generally refers to the acquisition of shares of a target company with funds provided, in whole or in part, by the management of the target company, based on the presumption that the target company’s business will continue) with the support of the board of directors of the Target Company in order to acquire the Target Shares and the Share Options in a friendly manner.

On June 13, 2013, the Tender Offeror executed an Agreement to Tender Shares in the Tender Offer (the “Share Tender Agreement”) with each of Mr. Yoshihiro Mikami, who is a founding member and, as its largest shareholder, a material shareholder of the Target Company (“Mr. Mikami”, number of shares held: 128,375 shares, Shareholding Ratio (which refers to the ratio, rounded to the nearest hundredth digit, of shares held against 589,955 shares, which is the total issued shares of the Target Company as of December 31, 2012, as stated in the 16th Term 3rd Quarter Report submitted by the Target Company on February 12, 2013 (the “16th Term Q3 Report”): 21.76%), Mr. Hideki Kaneko, who is the third largest shareholder and founding member and representative director and president of the Target Company (“Mr. Kaneko”, number of shares held: 37,085 shares, Shareholding Ratio: 6.29%), Mr. Mitsuru Igarashi, who is the fourth largest shareholder and director and vice president of the Target Company (“Mr. Igarashi”, number of shares held: 29,675 shares, Shareholding Ratio: 5.03%), and Mr. Keigo Fukuyama, who is the fifth largest shareholder of the Target Company and the operating officer of Simplex Consulting, Inc. which is a subsidiary of the Target Company (“Mr. Fukuyama”, number of shares held: 23,250 shares, Shareholding Ratio: 3.94%) (Mr. Mikami, Mr. Kaneko, Mr. Igarashi and Mr. Fukuyama, collectively, are the “Tendering Shareholders”), respectively. Under these Share Tender Agreements, the Tendering Shareholders have agreed to tender in the Tender Offer all of the Target Shares held by the respective Tendering Shareholders (total number of shares held: 218,385 shares, Shareholding Ratio: 37.02%) as well as the Target Shares (1,225 shares) that Mr. Igarashi will come to own as a result of exercising the Series 3 Share Options that Mr. Igarashi holds (49 units). Out of the 37,085 Target Shares that Mr. Kaneko owns, the Nomura Trust and Banking Co., Ltd. (“Nomura Trust and Banking”) has a security interest in 33,185 Target Shares, Societe General Private Banking (Japan), Ltd. (“Societe General Private Banking”) has a security interest in 1,150 Target Shares, and Osaka Securities Finance Company, Ltd. (“Osaka Securities Finance”) has a security interest in 2,750 Target Shares. However, under the Share Tender Agreement, Mr. Kaneko is required to tender in the Tender Offer all the Target Shares that he owns after terminating such security interests. Out of the 23,250 Target Shares that Mr. Fukuyama owns, Societe General Private Banking has a security interest in 7,000 Target Shares, and Mita Securities Co., Ltd. (“Mita Securities”) has a security interest in 2,100 Target Shares. However, under the Share Tender Agreement, Mr. Fukuyama is required to tender in the Tender Offer all the Target Shares that he owns after terminating such security interests. According to Mr. Kaneko and Mr. Fukuyama, no agreement regarding the termination of these security interests has been executed with the holders of these security interests as of the date hereof, but negotiations to terminate these security interests will be held after the date hereof. For the overview of the Share Tender Agreements, please see “(8) Matters on Material Agreement(s) regarding the Acceptance of the Tender Offer between the Tender Offeror and the Target Company’s Shareholders” below. The Tender Offeror plans to have Mr. Kaneko and Mr. Igarashi remain respectively as the representative director and

member of the management of the Target Company after the Tender Offer. Upon completion of the Tender Offer, Carlyle Fund and K&CM (collectively, “Sponsor Funds”), who are shareholders of the Tender Offeror, also plan to execute management agreements with Mr. Kaneko and Mr. Igarashi that include provisions obliging Mr. Kaneko and Mr. Igarashi to remain, respectively, as the representative director and member of the management of the Target Company.

After the settlement of the Tender Offer, Mr. Kaneko, Mr. Igarashi, and Mr. Fukuyama are planning to newly invest a total of 2,081 million yen (which constitutes of 1,307 million yen by Mr. Kaneko, 699 million yen by Mr. Igarashi, and 75 million yen by Mr. Fukuyama) in the Tender Offeror out of the amount received through tendering in the Tender Offer.

The Tender Offeror has established the minimum number of shares to be purchased at the Tender Offer. If the total number of tendered shares (see Note below) falls below 393,567 shares (Shareholding Ratio: 66.71 %), none of the tendered shares will be purchased. On the other hand, the Tender Offeror has not established any maximum number of shares to be purchased at the Tender Offer. Therefore, so long as the total number of tendered shares exceeds the minimum number of shares to be purchased, the Tender Offeror will make the purchase for all of the tendered shares. To respect the decisions of the minority shareholders of the Target Company, the minimum number of shares to be purchased is the number of shares that is the sum of (a) and (b), where (a) is the majority number of shares (173,957 shares, which is the number of Target Shares equivalent to the majority number of the sum of the Target Shares held by persons other than the Tendering Shareholders and the Target Company as of the date hereof, and the Target Shares which may result from the exercise of such number of Share Options obtained by deducting the number of Share Options that are held by the Tendering Shareholders and expected to be tendered in the Tender Offer as Target Shares after their exercise, from the number of Series 3 Share Options, Series 4 Share Options, Series 6 Share Options and Series 7 Share Options remaining as of December 31, 2012, which are Share Options which have vested and for which the exercise price is lower than the purchase price per Target Share in the Tender Offer (45,000 yen; “Tender Offer Price”) as of the date hereof, i.e. “majority of minority”) of the sum of (i) and (ii) below (347,912 shares), and (b) is the number of the Target Shares to be tendered by the Tendering Shareholders (a total of 219,610 shares including the number of Target Shares (1,225 shares) which may result from the exercise of Series 3 Share Options (49 units) held by Mr. Igarashi as of the date hereof). (i) is the amount calculated by subtracting (A) the number of treasury shares that the Target Company owned as of December 31, 2012 as stated in the 16th Term Q3 Report (29,470 shares) and (B) the number of Target Shares owned by the Tendering Shareholders as of the date hereof (218,385 shares), from the number of issued shares as of December 31, 2012 (589,955 shares) as stated in the 16th Term Q3 Report (342,100 shares); and (ii) is the maximum number of Target Shares (5,812 shares) that may result from the exercise of such number of the Share Options (1,364 units) obtained by (A) reflecting any changes up to December 31, 2012 (according to the Target Company, 185 units (representing 4,625 Target Shares) of the Series 3 Share Options, 3,296 units (representing 16,480 Target Shares) of Series 4 Share Options, 11,978 units (representing 11,978 Target Shares) of Series 6 Share Options and 6,390 units (representing 6,390 Target Shares) of the Series 7 Share Options have already been extinguished by December 31, 2012) to (B) the number of Target Shares (9,200 shares) which may result from the exercise of Series 3 Share Options (368 units), the number of Target Shares (18,020 shares) which may result from the exercise of Series 4 Share Options (3,604 units), the number of Target Shares (12,560 shares) which may result from the exercise of Series 6 Share Options (12,560 units) and the number of Target Shares (6,730 shares) which may result from the exercise of Series 7 Share Options (6,730 units) as of May 31, 2012 as stated in the 15th term securities report submitted by

the Target Company on June 18, 2012 (the “15th Term Securities Report”), and (C) further deducting the number of Target Shares (1,225 shares) which may result from the exercise of Series 3 Share Options (49 units) owned by Mr. Igarashi which are expected to be exercised and tendered in the Tender Offer as Tendered Shares by Mr. Igarashi, a Tendering Shareholder.

(Note) In calculating the total number of tendered shares, the Share Options are calculated based on the number of Target Shares which may result from the exercise of the respective Share Options. The same applies hereinafter.

Should the Tender Offeror fail to acquire all of the Target Shares (excluding the treasury shares held by the Target Company) in the Tender Offer, then after the Tender Offer, the Tender Offeror plans to request the Target Company to implement a set of procedures stated in “Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)” below and to acquire all of the issued shares of the Target Company other than the treasury shares held by the Target Company. Also, after acquiring all the Target Shares (excluding the treasury shares held by the Target Company) in the Transaction, the Tender Offeror plans to implement reorganization plans with the Target Company and its group companies (“Target Group”) including a merger.

If the Tender Offer is successfully completed, the Tender Offeror plans to accept an investment of 6,258 million yen from the Carlyle Fund and 19 million yen from K&CM, respectively, and to borrow up to a total of 20,461 million yen from the Bank of Tokyo-Mitsubishi UFJ, Ltd. (“Mitsubishi-Tokyo UFJ”), and plans to allocate these funds for the settlement of the Tender Offer. With regard to such loan from Mitsubishi-Tokyo UFJ, it is expected that all of the issued ordinary shares of the Tender Offeror and the Target Shares acquired by the Tender Offeror in the Tender Offer, etc. will be subject to security interests, and after the Target Company becomes a wholly-owned subsidiary of the Tender Offeror through a set of procedures stated in “Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)” below, that certain assets of the Target Company will be provided as security.

Further, after the commencement date of the settlement of the Tender Offer, the Tender Offeror is expected to receive an additional investment, which will not exceed 130 million yen, from K&CM.

According to the “Announcement concerning Implementation of MBO and Recommendation to Tender” dated June 13, 2013 announced by the Target Company (the “Target Company Press Release”), upon receiving a proposal on the Transaction from the Tender Offeror, the Target Company has, in order to ensure the fairness of the Tender Offer Price and of the Transaction, including the Tender Offer, carefully discussed and examined the terms and conditions of the Tender Offer taking into consideration the share valuation report acquired from SMBC Nikko Securities Inc. (“SMBC Nikko Securities”), which is a third party valuation institution independent from the Target Company and the Tender Offeror and which is not a related party; the report dated June 13, 2013 received from the independent committee, which is independent from the Target Company and the Tender Offeror and consists of members that include external experts; as well as the legal advice received from Anderson Mori & Tomotsune, its legal advisor independent from the Target Company and the Tender Offeror, as stated in “(5) Measures to Ensure Fairness for the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below. As a result, the board of directors of the Target Company decided that, considering the managerial issues the Target Company faces and the business environment surrounding the Target Group which are stated in “(2) Background to, Purpose of and Decision-Making Process of the Decision to Implement the

Tender Offer; Management Policy after the Tender Offer” below, it was important for the sustainable growth of the Target Company and further improvement of corporate value of the Target Company in the medium to long term, that the measures of (i) the strengthening of the business models adopting revenue-linked charging methods such as “Simplex FX” which is a part of the UMS Business, and the deliberations for entering into the financial service business that utilizes know-how accumulated in the financial system solution business, (ii) the launching of a service targeting clients in the primary deliberation stage in the SI Business, and (iii) global expansion, as proposed by the Tender Offeror, which are generally consistent with the core business plan stipulated in “Bridge 2016,” the three year plan to be started in the business year ending in March 2014 disclosed by the Target Company on April 25, 2013, are implemented in a speedier manner and with a bolder concentration of management resources than anticipated by the Target Company at the time of stipulation of “Bridge 2016.” However, as stated by the Tender Offeror, with respect to the implementation of the measures (ii) and (iii) above, increase of costs for the time being as well as the short-term adverse effect on the existing business of the Target Company is unavoidable, and risks that the turnover and profit will decrease for at least a few years are involved. With respect to the implementation of the measure (i) above, revenue fluctuation risks inherent in financial business will be involved, and further, additional upfront investments including research and development costs will necessarily be incurred. Therefore, given the fact that it is necessary to avoid influence of any inevitable risk arising from such measures to the shareholders of the Target Company, the delisting of the Target Shares by the Transaction will contribute to the maximization of the Target Company’s corporate value and that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable and the Transaction including the Tender Offer is consistent with the interests of the shareholders of the Target Company. Therefore, the board of directors of the Target Company, at a meeting held on June 13, 2013, resolved, through a unanimous decision of directors present at the discussion (out of five directors, three directors present excluding Mr. Kaneko and Mr. Igarashi) to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company accept the Tender Offer. With respect to the Share Options, the board of directors resolved, through a unanimous decision of directors present at the discussion (consisting of above three directors) to leave the decision of whether to accept the Tender Offer to the holders of the Share Options because the Share Options were granted to officers and employees of the Target Company as part of stock option and the reasonableness of the price of the Share Options have not been verified. Company auditors who were present at the relevant board of directors meeting (out of four company auditors, four company auditors present) have stated opinions to the effect that they do not object to the above resolutions. Mr. Kaneko, the representative director and president of the Target Company, and Mr. Igarashi, director and vice-president of the Target Company, have not participated in any discussion or resolution in the board of directors meetings of the Target Company regarding the Transaction including the Tender Offer, and have not participated in the discussions and negotiations between the Tender Offeror in a position of the Target Company, because (i) they have executed the Share Tender Agreements between the Tender Offeror, in which they agreed to tender in the Tender Offer all of the Target Shares they hold, and (ii) they are planning to make investments in the Tender Offeror after the settlement of the Tender Offer, and they therefore have structural conflict of interests between the Target Company in the Transaction.

Also, according to the Target Company Press Release, because the Share Options are granted as stock options and any transfer thereof is prohibited in the share options allotment agreement, the Target Company does not plan to approve any transfer thereof in the event the holders of the Share Options tender their Share Options in the Tender Offer.

(2) Background to, Purpose of and Decision-Making Process of the Decision to Implement the Tender Offer; Management Policy after the Tender Offer

Since its establishment in 1997, the Target Group has been providing solutions supporting the introduction of IT systems to the finance industry, consisting of (i) fund management and risk management for institutional investors such as financial institutions and (ii) cutting-edge financial systems solutions that are specialized for the “financial frontier” sector, a sector mainly encompassing financial institutions that aim to maximize their revenues by strategic IT investments, and which are characterized by various transactions for individual investors through the Internet. To provide solutions relating to the introduction of IT systems in the finance frontier, a very advanced expertise that integrates “advanced know-how (computational finance and work knowledge)” and “leading-edge IT technology” is required. As one of the few companies having such expertise, the Target Company continued to grow as a result of its original business focus and its business model has been a strong revenue producer. The Target Company was listed on the JASDAQ market in February 2002, on the Second Section of the Tokyo Stock Exchange in May 2004, and on the First Section of the Tokyo Stock Exchange in September 2005. Further, in October 2010, it adopted a pure holding company system aiming for further growth. Currently, it is working closely with its seven subsidiaries which are operating companies.

The managerial environment surrounding the Target Group is changing at an unprecedented speed due to a change in business configuration, globalization associated with the expansion of the Internet, deregulation, diversification of financial products, and other changes. The fund management methods of financial institutions that are clients of the Target Group incorporate a variety of financial products offered around the world, such as foreign exchange, bonds, shares, derivatives, and others. On the other hand in recent years, transactions conducted by individual investors are expanding to the foreign exchange margin transactions (the “FX Transactions”) in addition to shares, stock futures and options. In this environment, the Target Group provides services in (i) a system development business and a system development service business, which together are called System Integration (the “SI Business”) and (ii) an Application Service Provider (ASP) business called Universal Market Service (UMS) (the “UMS Business”) to financial institutions such as banks, securities firms and trust banks which are its lead clients.

With regard to the SI Business, since its establishment the Target Group has provided the standard functions necessary for the dealing system (the “dealing system” means a system that integrates all functions necessary for the dealing service, including the trading system and the risk management system) mainly related to the fund management businesses of financial institutions, by applying know-how on cutting-edge computational finance. Further, in principle, the Target Group retains within itself such know-how and copyright obtained through system development services in the SI Business and manages the components, which are reusable when developing a new financial system, such as the “Simplex Library”. By utilizing the Simplex Library and by providing solutions to multiple financial institutions reusing the components that have been accumulated through past services, the Target Group has successfully shortened the development period, significantly reduced the cost of development, provided reliable solutions, and has built business structures that could effectively produce a significantly high profit margin in the SI Business, which is generally said to be labor-intensive. As a result, the Target Group has managed to maintain for 15 years since its establishment, a gross margin of 40%, which is a high level figure for a company engaged in the system development business.

On the other hand, while the Japanese economy remained stagnant, financial institutions continued to restructure and many of the financial institutions in Japan, the main clients of the Target Group, became aggregated. As a result, business deployment utilizing the Simplex Library has slowed, and currently, it is difficult to pursue any further improvement of the profit ratio in the SI Business. Additionally, since the system development service business, such as the SI business, is generally a “flow business” (i.e., business generating profits from sellout products), if the Target Group entirely relies on the SI Business for its earning structure, the continual and stable growth of the Target Group would become uncertain, from a medium- and long-term standpoint. Therefore, the Target Group decided, in the second midterm business plan beginning from the business year ended March 2008, to pull itself out of such position where the SI Business, which is highly labor-intensive, is the sole operating base and to establish a new business which is a “stock business” (i.e., business generating stable incomes) revenue structure, and started the UMS Business as a new key foundation. Currently, the UMS Business the Target Group provides involves systems for Internet transaction services for individual investors. When the Target Group first started the UMS Business, it first established its market share by providing transaction systems for shares, stock futures and options, and thereafter expanded its business to systems for FX Transactions. However, with the rapid expansion of the FX Transactions market in recent years, the FX Transactions system provided by the Target Group in the UMS Business has obtained a share of 30% in the volume of domestic FX Transactions (calculated by the Target Company based on the data published by the Financial Futures Association of Japan), and the Target Group prides itself in that it has established a firm position in the FX Transactions market. In fact, the UMS Business, which mainly provides solutions for FX Transactions, was the heart of the Target Group’s growth from the business year ended March 2008, when the Target Group started the UMS Business, to the business year ended March 2010. The UMS Business served as the engine to double the Target Group’s consolidated net sales of 6,742 million yen in the business year ended March 2007 to JPY 13,970 million yen in the business year ended March 2010.

As described above, the Target Group has steadily maximized its business performance, recording in the business year ended March 2010 the highest profits since its establishment in consolidated current profits and consolidated net profits (3,009 million yen and 1,844 million yen, respectively) by starting the UMS Business, which brings stable earnings to the Target Group, as well as continuing the SI Business, which the Target Company has kept strong through its utilization of the Simplex Library and by pursuing efficiency.

However, the SI Business and UMS Business, which have helped maintain the business performance of the Target Group, could not remain unaffected by the long-term backslide in Japan’s economy, and after recording its highest profits in the fiscal year ending in March 2010, it has faced a difficult management environment.

With respect to the SI Business, the Target Company has already provided the solutions to its main clients, which are securities firms affiliated with banks and semi-major general securities firms, and the increase of repeating orders from those main clients can no longer be expected, due to the continuing uncertainties in the economic environment. In addition, in light of such business conditions and forecasts regarding the semi-major general securities companies, efforts were made to shift the main client category to major financial institutions, which will potentially have a need for larger projects. However, these efforts have not progressed as far as originally expected. On the other hand, the UMS Business showed steady growth at the outset, lead by the solution for FX Transactions, and maintained a gross margin exceeding that of the SI Business (47.6%) until the business year ended March 2010. However, the oversaturation of the FX Transaction market caused competition among businesses engaging in FX Transaction to

escalate, resulting in the mainstreaming of FX Transaction businesses with low-price strategies. Such trends have led to decreases in the revenues of the Target Company's clients, and to the termination of FX Transaction businesses by certain of its competitors. Under the above situations, it is difficult for the Target Company to expect a stable income, and in fact, the gross margin is decreasing every year, being 39.4% in the business year ended March, 2011, 37.3% in the business year ended March, 2012, and 32.2% in the business year ended March 2013.

(Note) The gross margin of the UMS Business as referred above is quoted from the profit margin of the "UMS (service)", which accounts for a large portion of the sales of the UMS Business in the recent years.

As a result of the above-mentioned developments, the consolidated profit and consolidated net profit have significantly fallen in the business year ended March 2011, where these were approximately 2,514 million yen (minus 16.4% compared to the preceding business year) and 1,448 million yen (minus 21.5% compared to the preceding business year), and in the business year ended March 2012, where these were approximately 2,025 million yen (minus 19.5% compared to the preceding business year) and 1,057 million yen (minus 27.0% compared to the preceding business year). Even though the consolidated profit and consolidated net profit have partially recovered in the business year ended March 2013, as these were approximately 2,418 million yen (plus 19.4% compared to the preceding business year) and 1,523 million yen (plus 44.0% compared to the preceding business year), the Target Group faces a difficult situation, such that the Target Group was forced to make mid-term downward adjustments to the estimated profits for three consecutive terms, the business years ending in March 2011, March 2012, and March 2013, and as a result, the Target Group was unable to achieve the final performance goals established by the second mid-term business plan. Without fundamental structural reforms, the Target Company's hopes for sustainable growth are uncertain.

In such a difficult environment, in December, 2012, Mr. Kaneko began initial discussions regarding the Target Group's growth strategy, including discussion on a management buyout (MBO), aiming to develop a strategy for Target Group's further growth with K&C, a company with which he had been exchanging opinions on capital policy and that has members with abundant track record in investment and exit as buyout fund managers and achievements in the creation of values as managers of business corporations. K&C collaborated with external experts to re-acknowledge the difficulties of the business environment of the Target Company, assessed and analyzed the management strategies and organizational structures of the Target Group to date, engaged in intensive discussions with Mr. Kaneko on the future growth strategies of the Target Group in the difficult business environment described above, and consequently reached a conclusion that the following measures are necessary in order to achieve sustainable growth for the Target Group:

(i) Strengthening the business models adopting revenue-linked charging methods such as that used in "Simplex FX", which is a part of the UMS Business, and deliberations to enter into financial service business that utilizes know-how accumulated in the financial system solution business

The Tender Offeror understands that IT investments have been viewed by the profit-generating clients of the Target Company as costs with little contribution to profit, and have been targets of cost cuts in a difficult management environment. The Target Company started offering "Simplex FX" services in August 2012 hoping to overturn such conventional views by directly linking IT investment with profit increase at financial institutions, and further, by transforming

system investment by financial institutions into a highly effective tool for revenue growth, in the finance frontier sector.

“Simplex FX” is a system that enables clients who are FX Transaction operators to raise dealing profits by means of an algorithm (an expression of procedures in a formulated form for solving problems in areas of computing) which integrates the Target Company’s know-how in financial engineering, as used in “Simplex FX,” during the process in which clients in the FX Transaction business receive orders from private investors and in return, the FX Transaction operator establishes a position in the market. The Target Company will strengthen its business model which charges a contingency fee on the additional revenue at financial institutions which is created by “Simplex FX”. By actively involving itself in the creation of additional revenue by the clients and strengthening the business model based on revenue-linked charging methods, the Tender Offeror believes that the Target Group will be able to maintain a high-level, steady, long-term revenue stream. In this area, the Tender Offeror will place highest priority on realizing 50% share in the volume of domestic FX Transactions, the target to be achieved in 2016 under “Bridge 2016” disclosed by the Target Group, at the earliest possible timing and will consider bold measures including fundamental changes to the charging methods such as the charging method of initial installation fees.

In addition to the strengthening of the business models adopting revenue-linked charging methods described above, the Target Group will aggressively consider entering into the financial service business itself through utilization of the know-how accumulated in the financial system solution business. The Target Group has achieved revenue-linked charging for client financial institutions by engaging in development of systems that strongly support asset management business, etc. conducted by financial institutions, and by contributing to the increase of dealing profits, the core competence of FX Transaction operators, through “Simplex FX” which is a part of the UMS Business. However, it needs to consider entering into the financial service business itself in order to realize growth of the Target Group in the medium to long term. Services provided by financial institutions include many unique services that are closely related with the IT system and are made possible only with the functions and capabilities of the IT system, such as the use of sophisticated algorithms and instant, large volume and diverse transactions for business with counterparties in distant locations. Especially in the area of transactions of financial products via the Internet currently targeted by the UMS Business, such trends are distinct. In such areas, not only financial businesses targeting individual investors but also financial services targeting financial institutions exist in large numbers, and with the upcoming technology innovations and market expansion, among other things, there are many chances to establish new financial services. The Tender Offeror believes that such chances are abundant especially in the FX Transactions area the Target Group concentrates in. Such financial businesses involve substantial pre-launch upfront investment risks, and, as is the same for the revenue structure of financial institutions, are directly affected by the market environment, involving a risk of the profit being highly volatile with a possibility that the performance will dip in the times of low market activities, but in the times of active market, profit increases unthinkable under a system business company’s profit structure may potentially be generated.

(ii) Launching a service targeting clients in the primary deliberation stage in the SI Business

In the SI Business, the key element will be to launch a service where the Target Group deeply involves itself in broad areas in the client’s planning of IT investment strategies or the client’s development of roadmaps, including pre-sales and consulting sales activities, in connection with the fund management business of major financial institutions. By utilizing the Target Group’s

specialization in system development for financial institutions, and by being actively and aggressively involved in the development of new financial products or development in the financial frontier, which serve as a preliminary stage for creating actual projects, potential demand will be stimulated. This will contribute to the expansion of the businesses of client financial institutions, and at the same time, provide opportunities for the Target Group to receive orders for larger projects.

Particularly in light of the results of the business year ended March 2013 and the forecasts for the business year ending in March 2014 regarding major financial institutions such as the three major bank groups, which were released in mid-May, 2013 showing a trend toward high-level figures, and the rapid and distinct improvement of the business environment surrounding major financial institutions, it is anticipated that the timing will arrive within a few years for financial institutions to renew their mission critical systems in the finance frontier sector. The Tender Offeror believes it is crucial that the Target Company deploy its competent personnel including officers and employees at the operating officer level who have had central roles in the project management of the SI Business, in a speedy, bold and concentrated manner, without fearing short-term adverse effects on the existing business, so as not to lose this huge business opportunity.

(iii) Global Expansion

In order to achieve further growth of the Target Group, it is necessary to plan development not only in the Japanese market where depopulation continues, but also in the global market, both in the SI Business and the UMS Business. As stated above, in the SI Business, there is a limit to the number of financial institutions which are potential clients of the Target Group. Therefore, there is limited hope of business expansion if the Target Company continues to receive orders from only Japanese companies, and the Japanese FX Transaction market is oversaturated. In order for the Target Group to maintain continuous growth, it is essential to deliver the know-how it has cultivated through the development of systems for domestic financial institutions, to overseas financial institutions.

However, (i) considering that the additional revenue of the financial institutions, which is the basis of revenue-linked fee charging, is in nature the financial business itself, the business risks involved in the business models such as “Simplex FX” are quite similar to that of the financial business rather than that of the IT business. The business risks involved will differ greatly from the risks involved in the Target Group’s current business, in that the Target Company’s revenue will be affected by the revenue of financial institution clients such as FX Transaction operators, as compared with receiving fixed revenue for provision of IT solutions. In addition, the business risks inherent in financial service business are also identical with the risks of the financial business itself, and are greatly different from the business risks of the IT solution business. Further, additional upfront investments including research and development costs will necessarily be incurred in launching new financial services, and changes in the fee charging method may have an adverse impact on the turnover and profits of the Target Group in the short term.

Next, (ii) it is considered that for each project, at least 2 to 3 year period is required to develop from the initial proposal stages of IT investment strategy planning and roadmap development, into the stages where the projects are actually executed and generates income from the client to the Target Company. This means that although the Target Group needs to immediately form sales organizations, at least a few years of decreases in revenue is expected during the formation

period. In addition, regarding presales and consulting sales, it is necessary to uncover the hidden requirements of the clients, and provide voluntary and aggressive consulting. There is a substantial difference in the nature of skills required of the employees engaging in such activities compared to the skills required in the conventional system development service business of the Target Group, where the client need has already surfaced. The recruitment of competent personnel and re-education of existing employees to fulfill these requirements, may temporarily affect the Target Group's service capacities and there is a risk of decreases in revenue of the Target Group. In addition, the increase in employment cost for the recruitment of competent personnel may cause a decrease in profit. Furthermore, as described above, as the rapid improvement of the business environment surrounding major financial institutions becomes distinct, it is crucial that the Target Company deploy its competent personnel including officers and employees at executive officer level who have had central roles in the project management of the SI Business, in a speedy, bold and concentrated manner, in order to appropriately seize this business opportunity regarding the renewal of mission critical systems by major financial institutions in the finance frontier sector that is anticipated to occur within a few years. As a result, it is anticipated that short-term adverse effect on the existing business of the Target Company is unavoidable. The more concentrated the management resources of the Target Company becomes in order to seize the business opportunity in the renewal of the mission critical systems of major financial institutions, the larger the adverse effect on the existing business will become.

Upon (iii) global expansion, in addition to thorough reform of current organization systems and localization of the Simplex Library, which is for the Japanese language only, feasibility studies and analysis of each country's market environment, competition environment and characteristic business customs will be necessary, and the Target Company realizes the uncertainty inherent in these adjustments. In order for the Target Company to utilize the know-how accumulated in Japan and built a firm position overseas, it is important that bold investments be made in the short-term towards global expansion.

As explained above, the measures required for the Target Group to achieve further growth in this difficult business environment will cause significant changes in the nature of the business risks underlying the Target Group's business, and will involve series of other risks such as a temporary decrease in revenue and profit that may continue for at least a few years caused by the short-term adverse effects on the existing business and upfront investments; and the uncertainty underlying the global expansion. In the short-term, the capital market will not necessarily be satisfied with such measures, and may cause adverse effect in the Target Company's stock price. Furthermore, if the Target Company cannot achieve its goals, there may be a situation where the Target Company cannot respond to the shareholders' expectations in the long-term.

After considering all these risks, Mr. Kaneko and K&C, through repeated assessments and discussions, reached the consensus that in order to further develop the Target Group in this difficult environment, and to realize the mid-to-long-term increase in its company value, it is necessary that the Target Company promptly carry out these measures. In order to achieve this, the current best decision for the Target Group is to delist the Target Company's shares by means of a management buyout (MBO), thereby avoiding a situation where current shareholders of the Target Company will be affected by the risks inevitably entailed in the above measures, and at the same time limiting the shareholders of the Target Company to the small group willing to accept such risks, thus creating a framework that enables implementation of the above measures in a speedy and bold manner under a consistent policy. Due to the fact that global expansion is one of the measures towards further growth of the Target Group, Mr. Kaneko and

K&C appointed the Carlyle Group, which has a global network through its 33 offices in six continents, with wide investment experience in companies in the technology industry such as the Target Group and abundant experience with business support for maximizing company value, as a partner to support the expansion of the Target Group into overseas markets, and made discussions in detail on the implementation of a management buyout (MBO) to undertake the above measures. On March 18, 2013, Mr. Kaneko, K&C and the Carlyle Group consequently proposed the Transactions, which included this Tender Offer, to the Target Company, and have been engaging in deliberate discussions and negotiations with the directors of the Target Company excluding Mr. Kaneko and Mr. Igarashi regarding whether to undertake the Transactions and the conditions of the Transactions.

Mr. Kaneko, K&C, the Carlyle Group, and the Tender Offeror, further continued careful deliberation and negotiation of whether to proceed with the Transaction and its terms, finally deciding on the implementation of the Tender Offer on June 13, 2013.

Following this Transaction, the Tender Offeror, Mr. Kaneko and Mr. Igarashi, along with the Target Company's employees and officers, will carry out the above measures necessary for further growth of the Target Group. The Tender Offeror is further planning to implement, after discussing with the Target Company following the completion of the Transaction, certain incentive plans such as stock option for the benefit of the Target Company's employees and officers that, as a whole, may serve as an incentive equivalent to or exceeding the Share Options offered by the Target Company to its employees and officers. The Tender Offeror will carry out the above measures together with the Target Company's employees and officers, and will make vigorous efforts to achieve the Target Company's mid and long-term growth. In addition, as stated in "(3) Agreement regarding the Tender Offer" below, Mr. Kaneko and Mr. Igarashi will continue to manage the Target Company as the representative director and president and member of the management after the Tender Offer.

(3) Agreement regarding the Tender Offer

Other than the Share Tender Agreements executed with the Tendering Shareholders, the Tender Offeror has not made any agreements related to the Tender Offer. However, the Sponsor Funds executed a memorandum on June 13, 2013 with Mr. Kaneko and Mr. Igarashi (collectively, "Management Team") as well as Mr. Fukuyama (collectively with the Management Team, "Management Team, etc."). Under the memorandum, the Management Team, etc. has agreed to make tenders in the Tender Offer in accordance with the Share Tender Agreements, and if the Tender Offer is completed, to re-invest in the Tender Offeror certain portion of the purchase price of the Target Shares tendered. In addition, if the Tender Offer is completed, the Tender Offeror has agreed with Mr. Kaneko and Mr. Igarashi to execute a shareholders agreement including the items provided under "(i) Shareholders Agreement" below and a management delegation agreement including the items provided under "(ii) Management Agreement" below, and with Mr. Fukuyama to execute a shareholders agreement including the items provided under "(i) Shareholders Agreement" below. Provided, however, that items (a), (b) and (d) under "(i) Shareholders Agreement" below are intended to be included only in the agreement with Mr. Kaneko.

- (i) Shareholders Agreement
 - (a) Matters related to the Director, Representative Director, Auditor, and other matters relating to the management of the Tender Offeror and the Target Company (including

surviving/new company to be survived or incorporated through the reorganization activities including mergers; the same applies hereinafter);

- (b) Matters related to the business of the Tender Offeror or the Target Company, or their group companies which require the prior consent of the Sponsor Funds and the contracting party from the Management Team, etc.;
 - (c) Matters concerning the transfer restrictions of the Tender Offeror's shares owned by the Management Team, etc.;
 - (d) Matters concerning the procedures for transfer of the Tender Offeror's shares owned by the Sponsor Funds and the first refusal right of the Management Team, etc.;
 - (e) Matters concerning the Sponsor Funds' drag along right against the Management Team, etc., in case of transfer of the Tender Offeror's shares owned by the Sponsor Fund; and
 - (f) Matters concerning the Management Team, etc.'s tag along right against the Sponsor Funds, in case of transfer of the Tender Offeror's shares owned by the Sponsor Funds.
- (ii) Management Agreement.
- (a) Delegation by the Sponsor Funds to the Management Team of the management of the Target Company and the group companies of the Target Company as their directors;
 - (b) Certain covenants by the Management Team in connection with his delegated duties;
 - (c) Matters concerning the remunerations of the Management Team;
 - (d) Matters concerning the term of office, the restriction of resignation and obligation of reappointment, causes for resignation and removal; and
 - (e) Matters concerning non-compete obligation, and non-solicitation obligation of other officers and employees

(4) Deliberation of the Tender Offer Price

(a) Ordinary Shares

In determining the Tender Offer Price, the Tender Offeror took into consideration the current market price of the Target Shares and the trend of the market price of the Target Shares in the past six months at the First Section of the Tokyo Stock Exchange, materials disclosed by the Target Company such as financial reports, the results of the due diligence conducted with respect to the Target Company, and premium rates offered by tender offerors other than issuers in the past tender offer cases conducted in the past year, the results of discussions and negotiations with the Target Company, the possibilities for the Target Company's support of the Tender Offer and the prospect of the Tender Offer, among other things. The Tender Offeror then determined the Tender Offer Price to be 45,000 yen.

In determining the Tender Offer Price, the Tender Offeror did not obtain any valuation report of a third party institution. However, as provided above, the Tender Offeror determined the Tender Offer Price in consideration of comprehensive factors pertaining to the value of the Target Company's shares such as making reference to objective sources such as financial information, and premium rates used in similar past cases to the average closing share prices of the past one month period, three month period and six month period, as well as the results of the good faith discussions and negotiations with the Target Company.

The Tender Offer Price is a price that is obtained by adding 38.04% premium (rounded to the nearest hundredth digit, and this applies hereinafter to the calculation of premium rates) to 32,600 yen, the closing price of the Target Shares at the Tokyo Stock Exchange on June 12, 2013, the business day immediately preceding the announcement

of the Tender Offer; 16.35% premium to 38,676 yen, the simple average of the closing price of the Target Shares in the past one month period (rounding off any decimal point, and this applies hereinafter to calculation of a simple average of any closing price during a certain period); 15.96% premium to 38,806 yen, the simple average of the closing price of the Target Shares in the past three month period; and 32.79% premium to 33,887 yen, the simple average of the closing price of the Target Shares in the past six month period.

(b) Share Options

The Share Options were issued to officers and employees of the Target Company and its affiliated companies as stock options. Because the exercise of the Share Options requires the holders of the Share Options to have the position as the officer or employee of the Target Company at the time of exercise of the Share Options, the Tender Offeror will not be able to exercise the Share Options even if the Tender Offeror acquires them through the Tender Offer. Therefore, the Tender Offeror determined that the purchase price of the Share Options will be 1 yen per unit.

In determining the price for the purchase of the Target Shares and the Share Options at the Tender Offer, the Tender Offeror did not obtain any valuation report of a third party.

(5) Measures to Ensure Fairness for the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

The Tender Offeror and the Target Company recognize that the Tender Offer is implemented as a step in the Transaction conducted for a management buyout (MBO), and that there may be issues of structural conflicts of interest. Therefore, the Tender Offeror and the Target Company have primarily taken the following measures in order to ensure fairness of the Transaction including the Tender Offer, from the perspective of ensuring fairness of the Tender Offer Price, eliminating arbitrariness in the process of decision making regarding the decision to make the Tender Offer, and avoiding conflicts of interest.

(i) Obtaining a Share Valuation Report from a Third Party Valuation Institution Independent from the Target Company

According to the Target Company Press Release, the Target Company requested SMBC Nikko Securities, which is a third party valuation institution independent from the Tender Offeror and the Target Company and is not a relevant party of the Tender Offeror or the Target Company, to value the Target Shares in order to make a decision with regard to the Tender Offer and received a share valuation report, dated June 13, 2013, as reference material to consider the appropriateness of the Tender Offer Price (SMBC Nikko Securities has no material interest regarding the Transaction to be disclosed. In addition, the Target Company did not obtain any fairness opinion regarding the Tender Offer Price from SMBC Nikko Securities).

SMBC Nikko Securities considered multiple share valuation methods in order to determine the appropriate valuation methods to be used for the valuation of the Target Shares. Because the Target Shares are listed, and thus it is possible to directly ascertain the objective value of the Target Shares, SMBC Nikko Securities used the market price method. And, because there are listed companies similar to the Target Company, SMBC Nikko Securities also used the comparable company method. Furthermore, because it is possible to reflect the profitability and business risks of the

Target Company in the valuation based on the assumption that the Target Company is a going business, SMBC Nikko Securities also used the discounted cash flow method (“DCF Method”). The range of the per-share value of the Target Shares calculated by each of these methods is as follows:

Market price method:	From 33,887yen to 38,806 yen
Comparable company method:	From 32,348 yen to 43,000 yen
DCF Method:	From 39,671 yen to 49,717 yen

Under the market price method, the range of the per-share value was calculated by comprehensively analyzing the simple average of the closing price at the First Section of the Tokyo Stock Exchange for the past one month, three month and six month periods, with June 12, 2013 being the base date in each case (38,676 yen, 38,806 yen and 33,887 yen, respectively (for each simple average of the share price (closing price), rounding off any decimal point)), as well as the liquidity of shares and the disclosure status, among other things.

Under the comparable company method, the range of the per-share value was calculated by first selecting listed companies with businesses similar to those of the Target Company (the “Comparable Companies”), and second by analyzing share values of the Target Company through application of a certain financial rate derived from financial values of shares of such Comparable Companies to the financial values of the Target Shares.

Under the DCF Method, the range of the per-share value was calculated by analyzing the corporate value and the share value based on the future cash flow that the Target Company is expected to generate after the business year ended March 2013 and discounting such future cash flow to the present value by a certain discount rate. The future cash flow was obtained based on the business plan for the business years ending in March 2014 to March 2018 provided by the Target Company (see Note below) (of these, the business plan for the three years from the business year ending in March 2014 corresponds with the content of “Bridge 2016”), interviews of the Target Company’s management, and the trend of the Target Company’s recent performance, among other things.

(Note) In the business plan used as the basis of calculation of the share value under the DCF Method, no significant increase or decrease in profit is expected. In addition, the effects of the measures regarding launching of a service targeting clients in the primary deliberation stage in the SI Business, strengthening of the business models adopting revenue-linked charging methods such as that used in “Simplex FX” and global expansion, as being contemplated by the Tender Offeror, have not been considered in the business plans used in the calculation of share value under the DCF Method, because it was difficult to provide the actual estimates of their impact on the revenue at this time.

(ii) Establishment of an Independent Committee at the Target Company

According to the Target Company Press Release, on March 18, 2013, the board of directors of the Target Company resolved to establish an independent committee that consists of members who are independent from both the Target Company and the Tender Offeror and includes external experts (Mr. Toshio Nakajo (incumbent external auditor of the Target Company), Mr. Noriyuki Ogasawara (incumbent external auditor of the Target Company), and Mr. Hidetaka Nishina (partner attorney at

Nakamura, Tsunoda & Matsumoto), who are independent from both the Target Company and the Tender Offeror, were selected as the members of the independent committee. The Target Company has selected these three persons as the members of the independent committee from the outset and has not made any changes since) in order to exclude arbitrariness of the decision making with respect to the Tender Offer at the Target Company and to establish a decision-making process that ensures fairness, transparency and objectivity. The board of directors of the Target Company further resolved to consult the independent committee about: (i) whether the Transaction will contribute to the improvement of the corporate value of the Target Company; (ii) whether the Transaction is disadvantageous to minority shareholders of the Target Company; and (iii) the content of the announcement to be made by the board of directors with respect to the Transaction (collectively as the “Consulted Items”).

The independent committee was convened a total of 8 times during the period between March 27, 2013 and June 13, 2013 and deliberated the Consulted Items thoroughly. The independent committee received explanations on the background of the Tender Offer and the deliberation status and mentality of the Tender Offer by the Tender Offeror from Mr. Kaneko, the representative director and president of the Target Company, K&C and Carlyle Fund, and had questions and answers sessions. The independent committee also received explanations on the business plan of the Target Company and the effects of the Transaction on the corporate value of the Target Company, among other things, from Mr. Kenichi Tanaka and Mr. Yasuhito Fukuyama, who are the directors and vice presidents of the Target Company, and had questions and answers sessions.

Furthermore, in deliberating the Consulted Items, the independent committee appointed Trustees Advisory Kabushiki Kaisha (“Trustees”), which is independent from the Tender Offeror and the Target Company and is not a related party, as the third party valuation institution for the independent committee to ensure the transparency and rationality, and commissioned Trustees to calculate the share value of the Target Company. The independent committee received a share valuation report from Trustees as of June 12, 2013. The results of valuation of the shares of the Target Company by Trustees are as follows:

Market price method:	From 32,600 yen to 38,806 yen
Comparable company method:	From 32,483 yen to 37,159 yen
DCF Method:	From 37,453 yen to 45,481 yen

Under the market price method, the value per Target Share was evaluated with a range from 32,600 yen to 38,806 yen, based on the closing price of the Target Shares at the regular transaction of the First Section of the Tokyo Stock Exchange on June 12, 2013, the business day immediately preceding the announcement of the Tender Offer by the Tender Offeror (32,600yen), the simple average of the closing price of the regular transaction for the past one month period (from May 13, 2013 to June 12, 2013) (38,676 yen), the simple average of the closing price of the regular transaction for the past three month period (from March 13, 2013 to June 12, 2013) (38,806 yen), and the simple average of the closing price of the regular transaction for the past six month period (from December 13, 2012 to June 12, 2013) (33,887yen).

Under the comparable company method, multiple companies were selected from among the listed companies engaging in businesses that were similar to the Target Company's businesses, and the range of per-share value of Target's ordinary share was calculated by analysis through a comparison of such factors as the market share prices and the financial indicators representing profitability.

Under the DCF Method, the value per Target Share was evaluated with a range from 37,453 yen to 45,481 yen, by analyzing the corporate value and the share value based on the future cash flow that the Target Company is expected to generate and discounting such future cash flow by certain discount rates to the present value. The future cash flow was obtained based on the Target Company's business plan, interviews with the Target Company's management, the risk analysis of the business of the Target Company, trend of the Target Company's recent performance, and future profits forecasts of the Target Company.

In the business plan used as the basis of calculation of the share value under the DCF Method, no significant increase or decrease in profit is expected. In addition, the effects of the measures regarding launching a service targeting clients in the primary deliberation stage in the SI Business, strengthening the business models adopting revenue-linked charging methods such as that used in "Simplex FX" and global expansion, as being contemplated by the Tender Offeror, have not been considered in the business plans used in the calculation of share value under the DCF Method, because it was difficult to provide the actual estimates of their impact on the revenue at this time.

The independent committee also received explanations on valuation of the Target Company's shares from SMBC Nikko Securities in order to take the share valuation report provided to the Target Company by SMBC Nikko Securities into consideration. Through such process and in careful examination of the relevant documents, on June 13, 2013, the independent committee submitted a report to the board of directors of the Target Company that the independent committee unanimously approved to express their opinions that the independent committee considers (i) the Transaction will contribute to the improvement of the corporate value of the Target Company; (ii) the Transaction is not disadvantageous to the minority shareholders of the Target Company; and (iii) it is reasonable for the board of directors of the Target Company to express an opinion in favor of the Transaction and to recommend tendering of the ordinary shares.

According to the report, the material factors considered by the independent committee in making such report were as follows:

- (i) Decision factors regarding whether the Transaction will contribute to the improvement of the corporate value of the Target Company:
 - (a) rationality of the understanding of the current status of the Target Company,
 - (b) rationality of the explanations provided by the Tender Offeror regarding the necessity to implement the Transaction and consistency thereof with the understanding of the board of directors of the Target Company, (c) the non-existence of disadvantages with respect to delisting, (d) considerations for

maintaining and improving the incentives offered to the employees of the Target Company, and (e) the appropriateness of MBO as a means;

- (ii) Decision factors regarding whether the Transaction is disadvantageous to minority shareholders of the Target Company:
 - (a) whether opportunities for the shareholders to make appropriate judgments are ensured, (b) whether arbitrariness has been eliminated from the decision making process, (c) whether objective circumstances to ensure appropriateness of the Tender Offer Price were secured, and (d) the appropriateness of the Tender Offer Price;
- (iii) Decision factors regarding the content of the announcement to be made by the board of directors of the Target Company with respect to the Transaction
 - (a) whether the Transaction will contribute to the improvement of corporate values of the Target Company; and (ii) whether the Transaction is disadvantageous to the minority shareholders of the Target Company.

The independent committee considered the above factors and decided that the factors in (i) (a) through (b) above were satisfied and therefore, the Transaction will contribute to the improvement of the corporate values of the Target Company, and that actual measures to satisfy the factors in (ii) (a) through (c) above have been implemented and the factor in (ii) (d) above is recognized and therefore, the Transaction is not disadvantageous to the minority shareholders of the Target Company. In consideration of these factors, the independent committee reached a conclusion that it is rational for the board of directors of the Target Company to express an opinion in favor of the Transaction and to recommend tendering of the ordinary shares.

(iii) Advice to the Target Company by an Independent Law Firm

According to the Target Company Press Release, the Target Company received legal advice regarding the decision-making process of making the announcement of its opinion on the Tender Offer, the manner of decision-making and other points to be noted from Anderson, Mori & Tomotsune, which is a legal adviser independent from the Target Company and the Tender Offeror, in order to ensure the transparency and the rationality of the decision-making process of the Transaction, including the Tender Offer, among other things.

(iv) Unanimous Approval of Directors and Auditors Who Are Not Stakeholders of the Target Company

According to the Target Company Press Release, the board of directors of the Target Company carefully deliberated terms and conditions of the Tender Offer in consideration of the share valuation report provided by SMBC Nikko Securities, the report dated June 13, 2013 provided by the independent committee and the legal advice of Anderson, Mori & Tomotsune, among other things.

As a result, the board of directors of the Target Company decided that, considering the managerial issues the Target Company faces and the business environment surrounding the Target Group which are stated in “(2) Background to, Purpose of

and Decision-Making Process of the Decision to Implement the Tender Offer; Management Policy after the Tender Offer” above, it was important for the sustainable growth of the Target Company and further improvement of corporate value of the Target Company in the medium to long term, that the measures of (i) the strengthening of the business models adopting revenue-linked charging methods such as “Simplex FX”, which is a part of the UMS Business, and the deliberations for entering into the financial service business that utilizes know-how accumulated in the financial system solution business, (ii) the launching of a service targeting clients in the primary deliberation stage in the SI Business, and (iii) global expansion, as proposed by the Tender Offeror, which are generally consistent with the core business plan stipulated in “Bridge 2016,” the three year plan to be started in the business year ending in March 2014 disclosed by the Target Company on April 25, 2013, are implemented in a speedier manner and with a bolder concentration of management resources than anticipated by the Target Company at the time of stipulation of “Bridge 2016.” However, as stated by the Tender Offeror, with respect to the implementation of the measures (ii) and (iii) above, increase of costs for the time being as well as the short-term adverse effect on the existing business of the Target Company is unavoidable, and risks that the turnover and profit will decrease for at least a few years are involved. With respect to the implementation of the measure (i) above, revenue fluctuation risks inherent in financial business will be involved, and further, additional upfront investments including research and development costs will necessarily be incurred. Therefore, given the fact that it is necessary to avoid influence of any inevitable risk arising from such measures to the shareholders of the Target Company, the delisting of the Target Shares by the Transaction will contribute to the maximization of the Target Company’s corporate value and that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable and the Tender Offer is consistent with the interests of the shareholders of the Target Company. Therefore, the board of directors of the Target Company, at a meeting held on June 13, 2013, resolved, through a unanimous decision of directors present at the discussion (out of five directors, three directors present excluding Mr. Kaneko and Mr. Igarashi) to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company accept the Tender Offer. With respect to the Share Options, the board of directors resolved, through a unanimous decision of directors present at the discussion (consisting of above three directors) to leave the decision of whether to accept the Tender Offer to the holders of the Share Options because the Share Options were granted to officers and employees of the Target Company as part of stock option and the reasonableness of the price of the Share Options have not been verified. Company auditors who were present at the relevant board of directors meeting (out of four company auditors, four company auditors present) have stated opinions to the effect that they do not object to the above resolutions.

Mr. Kaneko, the representative director and president of the Target Company, and Mr. Igarashi, director and vice-president of the Target Company, have not participated in any discussion or resolution in the board of directors meetings of the Target Company regarding the Transaction including the Tender Offer, and have not participated in the discussions and negotiations between the Tender Offeror in a position of the Target Company, because (i) they have executed the Share Tender Agreements between the Tender Offeror, in which they agreed to tender in the Tender Offer all of the Target Shares they hold, and (ii) they are planning to make investments in the Tender

Offeror after the settlement of the Tender Offer, and they therefore have structural conflict of interests between the Target Company in the Transaction.

Further, because the Share Options are granted as stock options and any transfer thereof is prohibited in the share options allotment agreement, the Target Company does not plan to approve any transfer thereof in the event the holders of the Share Options tender their Share Options in the Tender Offer.

(v) Securing Objective Circumstances that Ensure Appropriateness of the Price and the Fairness of the Tender Offer

The Tender Offeror has set a period for purchase at the Tender Offer (the “Tender Offer Period”) to be 36 business days, while the shortest period set forth by law is 20 business days. By setting a comparatively long Tender Offer Period, it is intended that, while ensuring the opportunity for appropriate decisions to be made on the acceptance of the Tender Offer by the shareholders and the holders of the Share Options of the Target Company, opportunities for persons other than the Tender Offeror to purchase the ordinary shares and the Share Options of the Target Company are ensured, and appropriateness of the Tender Offer Price is thereby ensured.

In addition, the Tender Offeror and the Target Company do not have any agreement which may restrict communications between the persons proposing competing purchase and the Target Company, such as an agreement including provisions for protection of transactions, which prohibit the Target Company from communicating with the persons proposing competing purchase. The Tender Offeror has given consideration to ensure fairness of the Tender Offer by ensuring opportunities for competing purchase, in addition to the establishment of the Tender Offer Period above.

(vi) Establishment of a Minimum Number of Shares to be Purchased

As a condition for completion of the Tender Offer, the Tender Offeror established the minimum number of shares to be purchased at the Tender Offer (393,567 shares, Shareholding Ratio: 66.71%), the minimum number of shares to be purchased is the number of shares that is the sum of (a) and (b), where (a) is the majority number of shares (173,957 shares, which is the number of Target Shares equivalent to the majority number of the sum of the Target Shares held by persons other than the Tendering Shareholders and the Target Company as of the date hereof, and the Target Shares which may result from the exercise of such number of Share Options obtained by deducting the number of Share Options that are held by the Tendering Shareholders and expected to be tendered in the Tender Offer as Target Shares after their exercise, from the number of Series 3 Share Options, Series 4 Share Options, Series 6 Share Options and Series 7 Share Options remaining as of December 31, 2012, which are Share Options which have vested and for which the exercise price is lower than the Tender Offer Price as of the date hereof, i.e. “majority of minority”) of the sum of (i) and (ii) below (347,912 shares), and (b) is the number of the Target Shares to be tendered by the Tendering Shareholders (including the 1,225 Target Shares which Mr. Igarashi will come to own as a result of exercising Series 3 Share Options (49 units) held as of the date hereof, and in total, 219,610 shares). (i) is the amount calculated by subtracting (A) the number of treasury shares that the Target Company owned as of December 31, 2012 as stated in the 16th Term Q3 Report

(29,470 shares) and (B) the number of Target Shares owned by the Tendering Shareholders as of the date hereof(218,385 shares), from the number of issued shares as of December 31, 2012 (589,955 shares) as stated in the 16th Term Q3 Report (342,100 shares); (ii) is the maximum number of Target Shares 5,812shares) that may result from the exercise of such number of the Share Options (1,364 units) obtained by (A) reflecting any changes up to December 31, 2012 (according to the Target Company, 185 units(representing 4,625 Target Shares) of the Series 3 Share Options, 3,296 units (representing 16,480 Target Shares) of Series 4 Share Options, 11,978 units (representing 11,978 Target Shares)of Series 6 Share Options and 6,390 units (representing 6,390 Target Shares) of the Series 7 Share Options have already been extinguished by December 31, 2012) to (B) Target Shares (9,200 shares) which may result from the exercise of such number of Series 3 Share Options (368 units), Target Shares (18,020 shares) which may result from the exercise of such number of Series 4 Share Options (3,604 units), Target Shares (12,560 shares) which may result from the exercise of such number of Series 6 Share Options (12,560 units) and Target Shares (6,730 shares) which may result from the exercise the number of Series 7 Share Options (6,730 units) as of May 31, 2012 as stated in the 15th Term Securities Report of the Target Company, and (C) further deducting the number of Series 3 Share Options (49 units) owned by Mr. Igarashi which are expected to be exercised and tendered in the Tender Offer as Tendered Shares by Mr. Igarashi, a Tendering Shareholder. As provided above, the Tender Offeror will not implement the Tender Offer and the Transaction without the support of the shareholders to respect the decisions of the minority shareholders of the Target Company.

(6) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)

The Tender Offeror plans to take the series of procedures below after the Tender Offer is completed, in order to acquire all of the issued shares of the Target Company (excluding the treasury shares held by the Target Company), in the event the Tender Offeror does not acquire all of the issued shares of the Target Company excluding the treasury shares held by the Target Company in the Tender Offer.

Specifically, after the completion of the Tender Offer, the Tender Offeror plans to request the Target Company to hold an extraordinary general shareholders' meeting of the Target Company (the "Extraordinary Shareholders' Meeting"), which includes the following proposals:(i) to partially amend the articles of incorporation to incorporate a clause which allows the Target Company to issue shares of a separate class from ordinary shares, in order for the Target Company to become a company with class shares as provided for in the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same); (ii) to partially amend the articles of incorporation to attach a compulsory acquisition provision (meaning the provision on the matters provided in Article 108, Paragraph 1, Item 7 of the Companies Act; hereinafter the same) to all ordinary shares issued by the Target Company; and (iii) to acquire all ordinary shares of the Target Company to which such compulsory acquisition provision has been attached (excluding the treasury shares held by the Target Company), and deliver separate class shares of the Target Company in exchange for such acquisition.

In the event proposal (i) above is approved by the Extraordinary Shareholders' Meeting, the Target Company will become a class share issuing company under the Companies Act. In order for the partial amendment of the articles of incorporation regarding (ii) above to take effect, a resolution of the class shareholders' meeting (the "Class Shareholders' Meeting")

consisting of the shareholders who own the Target Shares to which the compulsory acquisition provision has been attached is necessary in addition to the resolution of the Extraordinary Shareholders' Meeting regarding (ii) above, pursuant to Article 111, Paragraph 2, Item 1 of the Companies Act. Therefore, the Tender Offeror plans to request the Target Company to hold the Class Shareholders' Meeting, which includes the partial amendment of the articles of incorporation in (ii) above as a proposal, on the same day as the date of the Extraordinary Shareholders' Meeting.

Where the proposals above are proposed at the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting, the Tender Offeror plans to vote in favor of each of the proposals above at the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting.

If each of the above procedures is implemented, all ordinary shares issued by the Target Company will be subject to the compulsory acquisition provision and all of these shares (excluding the treasury shares held by the Target Company) will be acquired by the Target Company, and the Target Company's shareholders (excluding the Target Company) will receive separate class shares of the Target Company as consideration for the acquisition. However, the Target Company's shareholders who are to receive fractions of shares of less than one (1) share of the separate class shares will receive money obtained through sale of the shares equivalent to the total of such fractions (any fractions of less than one (1) share in such total will be rounded off), pursuant to the procedures provided in Article 234 of the Companies Act and other relevant laws and regulations. The amount of money to be paid to each shareholder as a result of sale of such shares of the Target Company equivalent to the total of such fractions is planned to be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Shares held by such shareholder. Furthermore, although the class and the number of shares of the Target Company to be delivered as consideration for the acquisition of the Target Shares subject to the compulsory acquisition provision is not determined as of today, the class and the number of shares of the Target Company are planned to be determined so that the number of separate class shares of the Target Company that must be delivered to the Target Company's shareholders who did not accept the Tender Offer will be a fraction of less than one (1) share, in order for the Tender Offeror to hold all of the Target Company's issued shares (excluding the treasury shares held by the Target Company). The Tender Offeror plans to complete measures to have the Target Company become the wholly owned subsidiary of the Tender Offeror as promptly as practically and reasonably possible after the resolutions of the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting. An application for listing is not contemplated for the separate class shares of the Target Company to be delivered as consideration for the acquisition of the Target Shares.

The Tender Offeror plans to request the Target Company to hold the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting in or around October 2013 in principle, and according to the Target Company Press Release, the Target Company plans to announce the specific procedures and timing of the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting promptly upon determination.

As the provisions under the Companies Act purporting to protect the rights of minority shareholders related to the procedures above, if the acquisition of all of the Target Shares subject to the compulsory acquisition provision in (iii) above is resolved at the Extraordinary Shareholders' Meeting, it is provided that the shareholders may petition for determination of the price for acquisition of the relevant shares pursuant to the provisions of Article 172 of the Companies Act and other relevant laws and regulations. Under this procedure, the acquisition price per share will ultimately be determined by the court.

Aside from the petition for determination of the price for acquisition of shares pursuant to Article 172 of the Companies Act provided above, in relation to the amendment of the articles of incorporation in (ii) above, it is provided that the shareholders may demand the purchase of the shares they own and petition for determination of the purchase price of the shares, pursuant to the provisions of Articles 116 and 117 of the Companies Act and other relevant laws and regulations. However, if the acquisition of the shares pursuant to the compulsory acquisition provision comes into effect, the shareholders may be determined as lacking their standing for the petition for determination of the purchase price as provided in Article 117, Paragraph 2 of the Companies Act.

Furthermore, the procedures above may require time for the implementation or may be changed to other methods with equivalent effects, depending on the circumstances of the relevant authorities' interpretation of the relevant laws and regulations, the status of shareholding of the Tender Offeror in the Target Company after the Tender Offer, or the status of shareholding of the Target Company's shareholders other than the Tender Offeror in the Target Company. However, in case of such change to other methods, it is planned that the Tender Offeror will hold all of the Target Company's issued shares (excluding the treasury shares held by the Target Company) by ultimately paying money to the Target Company's shareholders other than the Tender Offeror who did not accept the Tender Offer. In that case, the amount of money to be paid to each shareholder of the Target Company other than the Tender Offeror is planned to be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Shares held by such shareholder. The specific procedures in such circumstances are planned to be announced promptly upon determination after consultation between Tender Offeror and the Target Company.

The Tender Offer is not intended to solicit approval of the shareholders of the Target Company in the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting, and shall not be interpreted in such way.

Regarding the Share Options, in the event the Tender Offer is completed without the Tender Offeror acquiring all of the Share Options, and there are unexercised Share Options remaining except for the Series 8 Share Options and the Series 9 Share Options for which the exercise period has not commenced as of the date hereof, the Tender Offeror plans to have the Target Company take reasonably necessary procedures for this Transaction, such as acquisition of the Share Options and requesting the holders of the Share Options to disclaim the Share Options.

Furthermore, the Tender Offeror plans to conduct the reorganization procedures including a merger with the Target Group, promptly after the implementation of each of the procedures above. The details such as specific date and time for such reorganization procedures have not been fixed.

(7) Prospect of Being Delisted and the Grounds Therefor

The Target Shares are listed on the First Section of the Tokyo Stock Exchange Market as of today. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Target Shares may be delisted in accordance with the prescribed procedures, pursuant to the delisting standards of the Tokyo Stock Exchange. Furthermore, even if the relevant standards do not apply at the time of completion of the Tender Offer, where the Tender Offer is completed, the Tender Offeror plans to acquire all the issued shares of the Target Company (excluding the

treasury shares held by the Target Company), and in case each of the procedures set forth in “(6) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)” above is implemented after the Tender Offer is completed, the Target Shares will be delisted in accordance with the prescribed procedures. After the delisting, the Target Shares may not be traded on the Tokyo Stock Exchange.

(8) Matters on Material Agreement(s) regarding the Acceptance of the Tender Offer between the Tender Offeror and the Target Company’s Shareholders

The Tender Offeror has executed the Share Tender Agreements with Tendering Shareholders on June 13, 2013, and the Tendering Shareholders have agreed to tender all of the Target Shares each of them holds (219,610 shares in total, shareholding ratio: 37.22%, including the 1,225 Target Shares which Mr. Igarashi will come to own as a result of exercising Series 3 Share Options (49 units) he holds as of the date hereof, and this applies in this section (8)). Out of 37,085 Target Shares that Mr. Kaneko owns, Nomura Trust and Banking has a security interest over 33,185 Target Shares, Societe General Private Banking has a security interest over 1,150 Target Shares, and Osaka Securities Finance has a security interest over 2,750 Target Shares. However, under the Share Tender Agreement, Mr. Kaneko is required to tender in the Tender Offer all the Target Shares that he owns after terminating such security interests. Out of 23,250 Target Shares that Mr. Fukuyama owns, Societe General Private Banking has a security interest over 7,000 Target Shares, and Mita Securities has a security interest over 2,100 Target Shares. However, under the Share Tender Agreement, Mr. Fukuyama is required to tender in the Tender Offer all the Target Shares that he owns after terminating such security interests. According to Mr. Kaneko and Mr. Fukuyama, no agreement regarding the termination of these security interests has been executed with the holders of these security interests as of the date hereof, but negotiations to terminate these security interests will be held after the date hereof. Furthermore, under Share Tender Agreements, (I) each Tendering Shareholder except Mr. Mikami is obligated to tender all of the Target Shares in the Tender Offer subject to the following conditions: (i) the Tender Offer has commenced legally and effectively, and has not been withdrawn, (ii) there is no material error in the representations and warranties provided by the Tender Offeror to the Tendering Shareholders in the Share Tender Agreements (see Note 1 below) at any point in time from the date of execution of the Share Tendering Agreements to the commencement date of the Tender Offer, and (iii) there is no material breach of obligations under the Share Tender Agreements by the Tender Offeror (see Note 2 below), and (II) Mr. Mikami is obligated to tender all of the Target Shares in the Tender Offer subject to the condition that (iv) the board of directors of the Target Company, respecting the opinion of the independent committee, expresses an opinion in favor of the Tender Offer and has not revoked such opinion, in addition to the conditions provided under (i) to (iii) in (I) above. Furthermore, under the Share Tender Agreements, Tendering Shareholders may also tender to the Tender Offer by waiving such conditions at their discretion. In addition, under the Share Tender Agreements, Tendering Shareholders are prohibited from cancelling the tender unless approved in writing by the Tender Offeror in advance.

(Note 1) Under the Share Tender Agreements, the Tender Offeror has provided the following representations and warranties to the Tendering Shareholders: (i) execution and performance of the Share Tender Agreements, (ii) legal bindingness and the enforceability, (iii) no conflict with the laws and (iv) acquisition or performance of permits and licenses.

(Note 2) Under the Share Tender Agreements, the Tender Offeror is subject to general obligations such as confidentiality.

2. Overview of the Purchase

(1) Overview of the Target Company

(i)	Name	Simplex Holdings, Inc.	
(ii)	Address	4-1 Nihonbashi 1 Cho-me, Chuo-ku, Tokyo	
(iii)	Name and title of representative	Hideki Kaneko, Representative Director & President	
(iv)	Businesses	Pure holding company	
(v)	Amount of capital	368,480 thousand yen (as of March 31, 2013)	
(vi)	Date of incorporation	September 16, 1997	
(vii)	Major shareholders and shareholding ratio (as of September 30, 2012) (Note)	Yoshihiro Mikami	21.76%
		STATE STREET BANK AND TRUST COMPANY (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	6.38%
		Hideki Kaneko	6.29%
		Mitsuru Igarashi	5.03%
		Keigo Fukuyama	3.94%
		Kenichi Tanaka	3.45%
		Japan Trustee Services Bank, Ltd. (Trust Account)	1.88%
		STATE STREET BANK AND TRUST COMPANY 505025 (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	1.56%
		JPMCB Omnibus US Pension Treaty JASDEC (Standing Proxy: Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.46%
Toshiki Yotsuzuka	1.27%		
(viii)	Relationship between the Tender Offeror and the Target Company		
	Shareholding	Not applicable.	
	Personnel	Not applicable.	
	Trading	Not applicable.	
	Applicability as a related party	Not applicable.	

(Note) The shareholding ratio is the ratio of shares held against the total number of issued shares of the Target Company (589,955 shares), rounded to the nearest hundredth digit.

(2) Schedule

(i) Schedule

Board of directors resolution	Thursday, June 13, 2013
Date of public notice for commencement of tender offer	Friday, June 14, 2013 Notices will be posted electronically, and a notice to this effect will be published in the <i>Nihon Keizai Shimbun</i> . (Address for electronic notices: http://info.edinet-fsa.go.jp)
Tender offer registration statement submission date	Friday, June 14, 2013

(ii) Period of purchase at initial filing

Friday, June 14, 2013 to Monday, August 5, 2013 (36 business days)

(iii) Possibility of extension at the request of the Target Company

Not applicable.

(3) Purchase Price

(i) Ordinary Share 45,000 yen per share

(ii) Share Options

(a) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Target Company held on June 20, 2003 and the board of directors meeting of the Target Company held on July 24, 2003 (“Series 3 Share Options”);

1 yen per unit

(b) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Target Company held on June 16, 2004 and the board of directors meeting of the Target Company held on July 26, 2004 (“Series 4 Share Options”);

1 yen per unit

(c) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Target Company held on June 28, 2005 and the board of directors meeting of the Target Company held on October 26, 2005 (“Series 5 Share Options”);

1 yen per unit

(d) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Target Company held on June 26, 2006 and the board of directors meeting of the Target Company held on

June 14, 2007 (“Series 6 Share Options”);

1 yen per unit

- (e) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Target Company held on June 21, 2008 and the board of directors meeting of the Target Company held on January 15, 2009 (“Series 7 Share Options”);

1 yen per unit

- (f) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Target Company held on June 20, 2010 and the board of directors meeting of the Target Company held on February 2, 2011 (“Series 8 Share Options”); and

1 yen per unit

- (g) Share Options issued pursuant to the resolutions adopted at the annual general shareholders meeting of the Target Company held on June 17, 2012 and the board of directors meeting of the Target Company held on November 28, 2012 (“Series 9 Share Options”)

1 yen per unit

(Series 3 Share Options, Series 4 Share Options, Series 5 Share Options, Series 6 Share Options, Series 7 Share Options, Series 8 Share Options and Series 9 Share Options shall be collectively referred to as the “Share Options”).

- (Note) According to the 15th Term Securities Report, as of May 31, 2012, there were 95 units of share options issued pursuant to the resolutions adopted at the annual general shareholders’ meeting of the Target Company held on June 25, 2002 and the resolution of the board of directors of the Target Company held on November 12, 2002. However, the Target Company reported that such share options have been extinguished on June 25, 2012 due to the expiration of the exercise period. Therefore, these share options are not subject to the Tender Offer and are not included in the Share Options.

(4) Basis for Calculating the Purchase Price

(i) Basis of calculation

(a) Ordinary Shares

In determining the Tender Offer Price, the Tender Offeror took into consideration the current market price of the Target Shares and the trend of the market price of the Target Shares in the past six months at the First Section of the Tokyo Stock Exchange, materials disclosed by the Target Company such as financial reports, the results of the due diligence conducted with respect to the Target Company, and premium rates offered by tender offerors other than issuers in the past tender offer cases conducted in the past year, the results of discussions and negotiations with the Target Company, the possibilities for the Target Company’s support of the Tender Offer and the prospect of the Tender Offer, among other things. The Tender Offeror then determined the Tender Offer Price to be 45,000 yen.

In determining the Tender Offer Price, the Tender Offeror did not obtain any valuation report of a third party institution. However, as provided above, the Tender Offeror determined the Tender Offer Price in consideration of comprehensive factors pertaining to the value of the Target Company's shares such as making reference to objective sources such as financial information, and premium rates used in similar past cases to the average closing share prices of the past one month period, three month period and six month period, as well as the results of the good faith discussions and negotiations with the Target Company.

The Tender Offer Price is a price that is obtained by adding 38.04% premium to 32,600 yen, the closing price of the Target Shares at the Tokyo Stock Exchange on June 12, 2013, the business day immediately preceding the announcement of the Tender Offer; 16.35% premium to 38,676 yen, which is the simple average of the closing price of the Target Shares in the past one month period; 15.96% premium to 38,806 yen, which is the simple average of the closing price of the Target Shares in the past three month period; and 32.79% premium to 33,887 yen, which is the simple average of the closing price of the Target Shares in the past six month period.

(b) Share Options

The Share Options were issued to officers and employees of the Target Company and its affiliated companies as stock options. Because the exercise of the Share Options requires the holders of the Share Options to have the position as the officer or employee of the Target Company at the time of exercise of the Share Options, the Tender Offeror will not be able to exercise the Share Options even if the Tender Offeror acquires them through the Tender Offer. Therefore, the Tender Offeror determined that the purchase price of the Share Options will be 1 yen per unit.

In determining the price for the purchase of the Target Shares and the Share Options at the Tender Offer, the Tender Offeror did not obtain any valuation report of a third party.

(ii) Process of calculation

(Process to determine the Tender Offer Price)

The managerial environment surrounding the Target Group is changing at an unprecedented speed due to a change in business configuration, the globalization associated with the expansion of the Internet, deregulation, diversification of financial products, and other changes. The fund management methods of financial institutions that are customers of the Target Group incorporate a variety of financial products offered around the world, such as foreign exchange, bonds, shares, derivatives, and others. On the other hand in recent years, transactions conducted by individual investors are expanding to the FX Transactions in addition to shares, stock futures and options. In this environment, the Target Group operates (i) the SI Business and (ii) the UMS Business for financial institutions such as banks, securities firms and trust banks which are its lead customers.

With regard to the SI Business, since its establishment the Target Group has provided the standard functions necessary for the dealing system (the "dealing system" means a system that integrates all functions necessary for the dealing service, including the trading system and the risk management system) mainly related to the fund management businesses of financial institutions, by applying know-how on cutting-edge computational finance. Further, in principle, the Target Group retains within itself such know-how and copyright obtained through system development

services in the SI Business and manages the components, which are reusable when developing a new financial system, as the “Simplex Library”. By utilizing the Simplex Library and by providing solutions to multiple financial institutions reusing the components that have accumulated through past services, the Target Group has successfully shortened the development period, significantly reduced the cost of development, provided reliable solutions, and has built business structures that could effectively produce a significantly high profit margin in the SI Business, which is generally said to be labor-intensive. As a result, the Target Group has managed to maintain for 15 years since its establishment, a gross margin ratio of 40%, which is a high level figure for a company engaged in the system development business.

On the other hand, while the Japanese economy remained stagnant, financial institutions continued to restructure and many of the financial institutions in Japan, the main clients of the Target Group, became aggregated. As a result, business deployment utilizing the Simplex Library has slowed, and currently, it is difficult to pursue any further improvement of the profit ratio in the SI Business. Additionally, since the system development service business, such as the SI business, is generally a “flow business” (i.e., business generating profits from sellout products), if the Target Group entirely relies on the SI Business for its earning structure, the continual and stable growth of the Target Group would become uncertain, from a medium- and long-term standpoint. Therefore, the Target Group decided, in the second midterm business plan beginning from the business year ended March 2008, to pull itself out of such position where the SI Business, which is highly labor-intensive, is the sole operating base and to establish a new business which is a “stock business” (i.e., business generating stable incomes) revenue structure, and started the UMS Business as a new key foundation. Currently, the UMS Business that the Target Group provides involves systems for Internet transaction services for individual investors. When the Target Group first started the UMS Business, it first established its market share by providing transaction systems for shares, stock futures and options, and thereafter expanded its business to systems for FX Transactions. However, with the rapid expansion of the FX Transactions market in recent years, the FX Transactions system provided by the Target Group in the UMS Business has obtained a share of 30% in the volume of domestic FX Transactions (calculated by the Target Company based on the data published by the Financial Futures Association of Japan), and the Target Group prides itself in that it has established a firm position in the FX Transactions market. In fact, the UMS Business, which mainly provides solutions for FX Transactions, was the heart of the Target Group’s growth from the business year ended March 2008, when the Target Group started the UMS Business, to the business year ended March 2010. The UMS Business served as the engine to double the Target Group’s consolidated net sales of 6,742 million yen in the business year ended March 2007 to JPY 13,970 million yen in the business year ended March 2010.

As described above, the Target Group has steadily maximized its business performance, recording in the business year ended March 2010 the highest profits since its establishment in consolidated current profits and consolidated net profits (3,009 million yen and 1,844 million yen, respectively) by starting the UMS Business, which brings stable earnings to the Target Group, as well as continuing the SI Business, which the Target Company has kept strong through its utilization of the Simplex Library and by pursuing efficiency.

However, the SI Business and UMS Business, which have helped maintain the business performance of the Target Group, could not remain unaffected by the long-term backslide in Japan's economy, and after recording its highest profits in the fiscal year ending in March 2010, it has faced a difficult management environment.

With respect to the SI Business, the Target Company has already provided the solutions to its main clients, which are securities firms affiliated with banks and semi-major general securities firms, and the increase of repeating orders from those main clients can no longer be expected, due to the continuing uncertainties in the economic environment. In addition, in light of such business conditions and forecasts regarding the semi-major general securities companies, efforts were made to shift the main client category to major financial institutions, which will potentially have a need for larger projects. However, these efforts have not progressed as far as originally expected. On the other hand, the UMS Business showed a steady growth at the outset, lead by the solution for FX Transactions, and maintained a gross margin exceeding that of the SI Business (47.6%) until the business year ended March 2010. However, the oversaturation of the FX Transaction market caused competition among businesses engaging in FX Transaction to escalate, resulting in the mainstreaming of FX Transaction businesses with low-price strategies. Such trends have lead to decreases in the revenues of the Target Company's clients, and to the termination of FX Transaction businesses by certain of its competitors. Under the above situations, it is difficult for the Target Company to expect a stable income, and in fact, the gross margin is decreasing every year, being 39.4% in the business year ended March, 2011, 37.3% in the business year ended March 2012, and 32.2% in the business year ended March 2013.

(Note) The gross margin of the UMS Business as referred above is quoted from the profit margin of the "UMS (service)", which accounts for a large portion of the sales of the UMS Business in the recent years,.

As a result of the above-mentioned developments, the consolidated profit and consolidated net profit have significantly fallen in the business year ended March 2011, where these were approximately 2,514 million yen (minus 16.4% compared to the preceding business year) and 1,448 million yen (minus 21.5% compared to the preceding business year), and in the business year ended March 2012, where these were approximately 2,025 million yen (minus 19.5% compared to the preceding business year) and 1,057 million yen (minus 27.0% compared to the preceding business year). Even though the consolidated profit and consolidated net profit have partially recovered in the business year ended March 2013, as these were approximately 2,418 million yen (plus 19.4% compared to the preceding business year) and 1,523 million yen (plus 44.0% compared to the preceding business year), the Target Group faces a difficult situation, such that the Target Group was forced to make mid-term downward adjustments to the estimated profits for three consecutive terms, i.e. the business years ending in March 2011, March 2012, and March 2013, and as a result, the Target Group were unable to achieve the final performance goals established by the second mid-term business plan. Without fundamental structural reforms, the Target Company's hopes for sustainable growth are uncertain.

In such a difficult environment, in December 2012, Mr. Kaneko began initial discussions regarding the Target Group's growth strategy, including discussion on a management buyout (MBO), aiming to develop a strategy for Target Group's further

growth with K&C, a company with which he had been exchanging opinions on capital policy and that has members with abundant track record in investments and exits as buyout fund managers and achievements in the creation of values as managers of business corporations. K&C collaborated with external experts to re-acknowledge the difficulties of the business environment of the Target Company, and assessed and analyzed the management strategies and organizational structures of the Target Group to date, engaged in intensive discussions with Mr. Kaneko on the future growth strategies of the Target Group in the difficult business environment described above, and consequently reached a conclusion that the following measures are necessary in order to achieve sustainable growth for the Target Group:

(i) Strengthening the business models adopting revenue-linked charging methods such as that used in “Simplex FX”, which is a part of the UMS Business, and deliberations to enter into financial service business that utilizes know-how accumulated in the financial system solution business

The Tender Offeror understands that IT investments have been viewed by the profit-generating clients of the Target Company as costs with little contribution to profit, and have been targets of cost cuts in a difficult management environment. The Target Company started offering “Simplex FX” services in August 2012 hoping to overturn such conventional views by directly linking IT investment with profit increase at financial institutions, and further, by transforming system investment by financial institutions into a highly effective tool for revenue growth, in the finance frontier sector.

“Simplex FX” is a system that enables clients who are FX Transaction operators to raise profits by means of an algorithm (an expression of procedures in a formulated form for solving problems in areas of computing) which integrates the Target Company’s know-how in financial engineering, as used in “Simplex FX,” during the process in which clients in the FX Transaction business receive orders from private investors and in return, the FX Transaction operator establishes a position in the market. The Target Company will strengthen its business model which charges a contingency fee on the additional revenue at financial institutions which is created by “Simplex FX”. By actively involving itself in the creation of additional revenue by the clients and strengthening the business model based on revenue-linked charging methods, the Tender Offeror believes that the Target Group will be able to maintain a high-level, steady, long-term revenue stream. In this area, the Tender Offeror will place highest priority on realizing 50% share in the volume of domestic FX Transactions, the target to be achieved in 2016 under “Bridge 2016” disclosed by the Target Group, at the earliest possible timing and will consider bold measures including fundamental changes to the charging methods such as the charging method of initial installation fees.

In addition to the strengthening of the business models adopting revenue-linked charging methods described above, the Target Group will aggressively consider entering into the financial service business itself through utilization of the know-how accumulated in the financial system solution business. The Target Group has achieved revenue-linked charging for client financial institutions by engaging in development of systems that strongly support asset management business, etc. conducted by financial institutions, and by contributing to the increase of dealing profits, the core competence of FX Transaction operators, through “Simplex FX” which is a part of the UMS Business. However, it needs to consider entering into the

financial service business itself in order to realize growth of the Target Group in the medium to long term. Services provided by financial institutions include many unique services that are closely related with the IT system and are made possible only with the functions and capabilities of the IT system, such as the use of sophisticated algorithms and instant, large volume and diverse transactions for business with counterparties in distant locations. Especially in the area of transactions of financial products via the Internet currently targeted by the UMS Business, such trends are distinct. In such areas, not only financial businesses targeting individual investors but also financial services targeting financial institutions exist in large numbers, and with the upcoming technology innovations and market expansion, among other things, there are many chances to establish new financial services. The Tender Offeror believes that such chances are abundant especially in the FX Transaction area the Target Group concentrates in. Such financial businesses involve substantial pre-launch upfront investment risks, and, as is the same for the revenue structure of financial institutions, are directly affected by the market environment, involving a risk of the profit being highly volatile with a possibility that the performance will dip in the times of low market activities, but in the times of active market, profit increases unthinkable under a system business company's profit structure may potentially be generated.

(ii) Launching a service targeting clients in the primary deliberation stage in the SI Business

In the SI Business, the key element will be to launch a service where the Target Group deeply involves itself in broad areas in the client's planning of IT investment strategies or the client's development of roadmaps, including pre-sales and consulting sales activities, in connection with the fund management business of major financial institutions. By utilizing the Target Group's specialization in system development for financial institutions, and by being actively and aggressively involved in the development of new financial products or development in the financial frontier, which serve as a preliminary stage for creating actual projects, potential demand will be stimulated. This will contribute to the expansion of the businesses of client financial institutions, and at the same time, provide opportunities for the Target Group to receive orders for larger projects.

Particularly in light of the results of the business year ended March 2013 and the forecasts for the business year ending in March 2014 regarding major financial institutions such the three major bank groups, which were released in mid-May, 2013 showing a trend toward high-level figures, and the rapid and distinct improvement of the business environment surrounding major financial institutions, it is anticipated that the timing will arrive within a few years for financial institutions to renew their mission critical systems in the finance frontier sector. The Tender Offeror believes it is crucial that the Target Company deploy its competent personnel including officers and employees at the operating officer level who have had central roles in the project management of the SI Business, in a speedy, bold and concentrated manner, without fearing short-term adverse effects on the existing business, so as not to lose this huge business opportunity.

(iii) Global Expansion

In order to achieve further growth of the Target Group, it is necessary to plan development not only in the Japanese market where depopulation continues, but also

in the global market, both in the SI Business and the UMS Business. As stated above, in the SI Business, there is a limit to the number of financial institutions which are potential clients of the Target Group. Therefore, there is limited hope of business expansion if the Target Company continues to receive orders from only Japanese companies, and the Japanese FX Transaction market is oversaturated. In order for the Target Group to maintain continuous growth, it is essential to deliver the know-how it has cultivated through the development of systems for domestic financial institutions, to overseas financial institutions.

However, (i) considering that the additional revenue of the financial institutions, which is the basis of revenue-linked fee charging, is in nature the financial business itself, the business risks involved in the business models such as “Simplex FX” are quite similar to that of the financial business rather than that of the IT business. The business risks involved will differ greatly from the risks involved in the Target Group’s current business, in that the Target Company’s revenue will be affected by the revenue of financial institution clients such as FX Transaction operators, as compared with receiving fixed revenue for provision of IT solutions. In addition, the business risks inherent in financial service business are also identical with the risks of the financial business itself, and are greatly different from the business risks of the IT solution business. Further, additional upfront investments including research and development costs will necessarily be incurred in launching new financial services, and changes in the fee charging method may have an adverse impact on the turnover and profits of the Target Group in the short term.

Next, (ii) it is considered that for each project, at least 2 to 3 year period is required to develop from the initial proposal stages of IT investment strategy planning and roadmap development, into the stages where the projects are actually executed and generates income from the client to the Target Company. This means that although the Target Group needs to immediately form sales organizations, at least a few years of decreases in revenue is expected during the formation period. In addition, regarding presales and consulting sales, it is necessary to uncover the hidden requirements of the clients, and provide voluntary and aggressive consulting. There is a substantial difference in the nature of skills required of the employees engaging in such activities compared to the skills required in the conventional system development service business of the Target Group, where the client need has already surfaced. The recruitment of competent personnel and re-education of existing employees to fulfill these requirements, may temporarily affect the Target Group’s service capacities and there is a risk of decreases in revenue of the Target Group. In addition, the increase in employment cost for the recruitment of competent personnel may cause a decrease in profit. Furthermore, as described above, as the rapid improvement of the business environment surrounding major financial institutions becomes distinct, it is crucial that the Target Company deploy its competent personnel including officers and employees at executive officer level who have had central roles in the project management of the SI Business, in a speedy, bold and concentrated manner, in order to appropriately seize this business opportunity regarding the renewal of mission critical systems by major financial institutions in the finance frontier sector that is anticipated to occur within a few years. As a result, it is anticipated that short-term adverse effect on the existing business of the Target Company is unavoidable. The more concentrated the management resources of the Target Company becomes in order to seize the business opportunity in the renewal of the mission critical systems of major financial institutions, the larger the adverse effect on the existing business will become.

Upon (iii) global expansion, in addition to thorough reform of current organization systems and localization of the Simplex Library, which is for the Japanese language only, feasibility studies and analysis of each country's market environment, competition environment and characteristic business customs will be necessary, and the Target Company realizes the uncertainty inherent in these adjustments. In order for the Target Company to utilize the know-how accumulated in Japan and built a firm position overseas, it is important that bold investments be made in the short-term towards global expansion.

As explained above, the measures required for the Target Group to achieve further growth in this difficult business environment will cause significant changes in the nature of the business risks underlying the Target Group's business, and will involve series of other risks such as a temporary decrease in revenue and profit that may continue for at least a few years caused by the short-term adverse effects on the existing business and upfront investments; and the uncertainty underlying the global expansion. In the short-term, the capital market will not necessarily be satisfied with such measures, and may cause adverse effect in the Target Company's stock price. Furthermore, if the Target Company cannot achieve its goals, there may be a situation where the Target Company cannot respond to the shareholders' expectations in the long-term.

After considering all these risks, Mr. Kaneko and K&C, through repeated assessments and discussions, reached the consensus that in order to further develop the Target Group in this difficult environment, and to realize the mid-to-long-term increase in its company value, it is necessary that the Target Company promptly carry out these measures. In order to achieve this, the current best decision for the Target Group is to delist the Target Company's shares by means of a management buyout (MBO), thereby avoiding a situation where current shareholders of the Target Company will be affected by the risks inevitably entailed in the above measures, and at the same time limiting the shareholders of the Target Company to the small group willing to accept such risks, thus creating a framework that enables implementation of the above measures in a speedy and bold manner under a consistent policy. Due to the fact that global expansion is one of the measures towards further growth of the Target Group, Mr. Kaneko and K&C appointed the Carlyle Group, which has a global network through its 33 offices in six continents, with wide investment experience in companies in the technology industry such as the Target Group and abundant experience with business support for maximizing company value, as a partner to support the expansion of the Target Group into overseas markets, and made discussions in detail on the implementation of a management buyout (MBO) to undertake the above measures. On March 18, 2013, Mr. Kaneko, K&C and the Carlyle Group consequently proposed the Transactions, which included this Tender Offer, to the Target Company, and have been engaging in deliberate discussions and negotiations with the directors of the Target Company excluding Mr. Kaneko and Mr. Igarashi regarding whether to undertake the Transactions and the conditions of the Transactions.

Mr. Kaneko, K&C, the Carlyle Group, and the Tender Offeror, further continued careful deliberation and negotiation of whether to proceed with the Transaction and its terms, finally deciding on the implementation of the Tender Offer on June 13, 2013.

(Deliberation of the Tender Offer Price)

(a) Ordinary Shares

In determining the Tender Offer Price, the Tender Offeror took into consideration the current market price of the Target Shares and the trend of the market price of the Target Shares in the past six months at the First Section of the Tokyo Stock Exchange, materials disclosed by the Target Company such as financial reports, the results of the due diligence conducted with respect to the Target Company, and premium rates offered by tender offerors other than issuers in the past tender offer cases conducted in the past year, the results of discussions and negotiations with the Target Company, the possibilities for the Target Company's support of the Tender Offer and the prospect of the Tender Offer, among other things. The Tender Offeror then determined the Tender Offer Price to be 45,000 yen.

In determining the Tender Offer Price, the Tender Offeror did not obtain any valuation report of a third party institution. However, as provided above, the Tender Offeror determined the Tender Offer Price in consideration of comprehensive factors pertaining to the value of the Target Company's shares such as making reference to objective sources such as financial information, and premium rates used in similar past cases to the average closing share prices of the past one month period, three month period and six month period, as well as the results of the good faith discussions and negotiations with the Target Company.

The Tender Offer Price is a price that is obtained by adding 38.04% premium to 32,600 yen, the closing price of the Target Shares at the Tokyo Stock Exchange on June 12, 2013, the business day immediately preceding the announcement of the Tender Offer; 16.35% premium to 38,676 yen, the simple average of the closing price of the Target Shares in the past one month period; 15.96% premium to 38,806 yen, the simple average of the closing price of the Target Shares in the past three month period; and 32.79% premium to 33,887 yen, the simple average of the closing price of the Target Shares in the past six month period.

(b) Share Options

The Share Options were issued to officers and employees of the Target Company and its affiliated companies as stock options. Because the exercise of the Share Options requires the holders of the Share Options to have the position as the officer or employee of the Target Company at the time of exercise of the Share Options, the Tender Offeror will not be able to exercise the Share Options even if the Tender Offeror acquires them through the Tender Offer. Therefore, the Tender Offeror determined that the purchase price of the Share Options will be 1 yen per unit.

In determining the price for the purchase of the Target Shares and the Share Options at the Tender Offer, the Tender Offeror did not obtain any valuation report of a third party.

(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest)

The Tender Offeror and the Target Company recognize that the Tender Offer is implemented as a step in the Transaction which is conducted for a management buyout (MBO), and that there may be issues of structural conflicts of interest. Therefore, the

Tender Offeror and the Target Company have primarily taken the following measures in order to ensure fairness of the Transaction including the Tender Offer, from the perspective of ensuring fairness of the Tender Offer Price, eliminating arbitrariness in the process of decision making regarding the decision to make the Tender Offer, and avoiding conflicts of interest.

(i) Obtaining a Share Valuation Report from a Third Party Valuation Institution Independent from the Target Company

According to the Target Company Press Release, the Target Company requested SMBC Nikko Securities, which is a third party valuation institution independent from the Tender Offeror and the Target Company and is not a relevant party of the Tender Offeror or the Target Company, to value the Target Shares in order to make a decision with regard to the Tender Offer and received a share valuation report, dated June 13, 2013, as reference material to consider the appropriateness of the Tender Offer Price (SMBC Nikko Securities has no material interest regarding the Transaction to be disclosed. In addition, the Target Company did not obtain any fairness opinion regarding the Tender Offer Price from SMBC Nikko Securities).

SMBC Nikko Securities considered multiple share valuation methods in order to determine the appropriate valuation methods to be used for the valuation of the Target Shares. Because the Target Shares are listed, and thus it is possible to directly ascertain the objective value of the Target Shares, SMBC Nikko Securities used the market price method. And, because there are listed companies similar to the Target Company, SMBC Nikko Securities also used the comparable company method. Furthermore, because it is possible to reflect the profitability and business risks of the Target Company to the valuation based on the assumption that the Target Company is a going business, SMBC Nikko Securities also used the DCF Method. The range of the per-share value of the Target Shares calculated by each of these methods is as follows:

Market price method:	From 33,887 yen to 38,806 yen
Comparable company method:	From 32,348 yen to 43,000 yen
DCF Method:	From 39,671 yen to 49,717 yen

Under the market price method, the range of the per-share value was calculated by comprehensively analyzing the simple average of the closing price at the First Section of the Tokyo Stock Exchange for the past one month, three month and six month periods, with June 12, 2013 being the base date in each case (38,676 yen, 38,806 yen and 33,887 yen, respectively (for each simple average of the share price (closing price), rounding off any decimal point)), as well as the liquidity of shares and the disclosure status, among other things.

Under the comparable company method, the range of the per-share value was calculated by first selecting listed companies with businesses similar to those of the Target Company (the “Comparable Companies”), and second by analyzing share values of the Target Company through application of a certain financial rate derived from financial values of shares of such Comparable Companies to the financial values of the Target Shares.

Under the DCF Method, the range of the per-share value was calculated by analyzing the corporate value and the share value based on the future cash flow that the Target Company is expected to generate after the business year ended March 2013 and discounting such future cash flow to the present value by a certain discount rate.

The future cash flow was obtained based on the business plan for the business years ending in March 2014 to March 2018 provided by the Target Company (see Note below) (of these, the business plan for the three years from the business year ending in March 2014 corresponds with the content of “Bridge 2016”), interviews of the Target Company’s management, and the trend of the Target Company’s recent performance, among other things.

(Note) In the business plan used as the basis of calculation of the share value under the DCF Method, no significant increase or decrease in profit is expected. In addition, the effects of the measures regarding launching of a service targeting clients in the primary deliberation stage in the SI Business, strengthening of the business models adopting revenue-linked charging methods such as that used in “Simplex FX” and global expansion, as being contemplated by the Tender Offeror, have not been considered in the business plans used in the calculation of share value under the DCF Method, because it was difficult to provide the actual estimates of their impact on the revenue at this time.

(ii) Establishment of an Independent Committee at the Target Company

According to the Target Company Press Release, on March 18, 2013, the board of directors of the Target Company resolved to establish an independent committee that consists of members who are independent from both the Target Company and the Tender Offeror and includes external experts (Mr. Toshio Nakajo (incumbent external auditor of the Target Company), Mr. Noriyuki Ogasawara (incumbent external auditor of the Target Company), and Mr. Hidetaka Nishina (partner attorney at Nakamura, Tsunoda & Matsumoto), who are independent from both the Target Company and the Tender Offeror, were selected as the members of the independent committee. The Target Company has selected these three persons as the members of the independent committee from the outset and has not made any changes since) in order to exclude arbitrariness of the decision making with respect to the Tender Offer at the Target Company and to establish a decision-making process that ensures fairness, transparency and objectivity. The board of directors of the Target Company further resolved to consult the independent committee about: (i) whether the Transaction will contribute to the improvement of the corporate value of the Target Company; (ii) whether the Transaction is disadvantageous to minority shareholders of the Target Company; and (iii) the content of the announcement to be made by the board of directors with respect to the Transaction.

The independent committee was convened a total of 8 times during the period between March 27, 2013 and June 13, 2013 and deliberated the Consulted Items thoroughly. The independent committee received explanations on the background of the Tender Offer and the deliberation status and mentality of the Tender Offer by the Tender Offeror from Mr. Kaneko, the representative director and president of the Target Company, K&C and Carlyle Fund, and had questions and answers sessions. The independent committee also received explanations on the business plan of the Target Company and the effects of the Transaction on the corporate value of the Target Company, among other things, from Mr. Kenichi Tanaka and Mr. Yasuhito Fukuyama, who are the directors and vice presidents of the Target Company, and had questions and answers sessions.

Furthermore, in deliberating the Consulted Items, the independent committee appointed Trustees, which is independent from the Tender Offeror and the Target Company and is not a related party, as the third party valuation institution for the independent committee to ensure the transparency and rationality, and commissioned Trustees to calculate the share value of the Target Company. The independent committee received a share valuation report from Trustees as of June 12, 2013. The results of valuation of the shares of the Target Company by Trustees are as follows:

Market price method:	From 32,600 yen to 38,806 yen
Comparable company method:	From 32,483 yen to 37,159 yen
DCF Method:	From 37,453 yen to 45,481 yen

Under the market price method, the value per Target Share was evaluated with a range from 32,600 yen to 38,806 yen, based on the closing price of the Target Shares at the regular transaction of the First Section of the Tokyo Stock Exchange on June 12, 2013, the business day immediately preceding the announcement of the Tender Offer by the Tender Offeror (32,600 yen), the simple average of the closing price of the regular transaction for the past one month period (from May 13, 2013 to June 12, 2013) (38,676 yen), the simple average of the closing price of the regular transaction for the past three month period (from March 13, 2013 to June 12, 2013) (38,806 yen), and the simple average of the closing price of the regular transaction for the past six month period (from December 13, 2012 to June 12, 2013) (33,887 yen).

Under the comparable company method, multiple companies were selected from among the listed companies engaging in businesses that were similar to the Target Company's businesses, and the range of the per-share value of Target's ordinary share was calculated by analysis through a comparison of such factors as the market share prices and the financial indicators representing profitability.

Under the DCF Method, the value per Target Share was evaluated with a range from 37,453 yen to 45,481 yen, by analyzing the corporate value and the share value based on the future cash flow that the Target Company is expected to generate and discounting such future cash flow by certain discount rates to the present value. The future cash flow was obtained based on the Target Company's business plan, interviews with the Target Company's management, the risk analysis of the business of the Target Company, trend of the Target Company's recent performance, and future profits forecasts of the Target Company.

In the business plan used as the basis of calculation of the share value under the DCF Method, no significant increase or decrease in profit is expected. In addition, the effects of the measures regarding launching a service targeting clients in the primary deliberation stage in the SI Business, strengthening the business models adopting revenue-linked charging methods such as that used in "Simplex FX" and global expansion, as being contemplated by the Tender Offeror, have not been considered in the business plans used in the calculation of share value under the DCF Method,

because it was difficult to provide the actual estimates of their impact on the revenue at this time.

The independent committee also received explanations on valuation of the Target Company's shares from SMBC Nikko Securities in order to take the share valuation report provided to the Target Company by SMBC Nikko Securities into consideration. Through such process and in careful examination of the relevant documents, on June 13, 2013, the independent committee submitted a report to the board of directors of the Target Company that the independent committee unanimously approved to express their opinions that the independent committee considers that (i) the Transaction will contribute to the improvement of the corporate value of the Target Company; (ii) the Transaction is not disadvantageous to the minority shareholders of the Target Company; and (iii) it is reasonable for the board of directors of the Target Company to express an opinion in favor of the Transaction and to recommend tendering of the ordinary shares.

According to the report, the material factors considered by the independent committee in making such report were as follows:

- (i) Decision factors regarding whether the Transaction will contribute to the improvement of the corporate value of the Target Company:
 - (a) rationality of the understanding of the current status of the Target Company,
 - (b) rationality of the explanations provided by the Tender Offeror regarding the necessity to implement the Transaction and consistency thereof with the understanding of the board of directors of the Target Company,
 - (c) the non-existence of disadvantages with respect to delisting,
 - (d) considerations for maintaining and improving the incentives offered to the employees of the Target Company, and
 - (e) the appropriateness of MBO as a means;

- (ii) Decision factors regarding whether the Transaction is disadvantageous to minority shareholders of the Target Company:
 - (a) whether opportunities for the shareholders to make appropriate judgments are ensured,
 - (b) whether arbitrariness has been eliminated from the decision making process,
 - (c) whether objective circumstances to ensure appropriateness of the Tender Offer Price were secured, and
 - (d) the appropriateness of the Tender Offer Price;

- (iii) Decision factors regarding the content of the announcement to be made by the board of directors of the Target Company with respect to the Transaction
 - (a) whether the Transaction will contribute to the improvement of corporate values of the Target Company; and
 - (ii) whether the Transaction is disadvantageous to the minority shareholders of the Target Company.

The independent committee considered the above factors and decided that the factors in (i) (a) through (b) above were satisfied and therefore, the Transaction will contribute to the improvement of the corporate values of the Target Company, and that actual measures to satisfy the factors in (ii) (a) through (c) above have been implemented and the factor in (ii) (d) above is recognized and therefore, the Transaction is not disadvantageous to the minority shareholders of the Target Company. In consideration of these factors, the independent committee reached a

conclusion that it is rational for the board of directors of the Target Company to express an opinion in favor of the Transaction and to recommend tendering of the ordinary shares.

(iii) Advice to the Target Company by an Independent Law Firm

According to the Target Company Press Release, the Target Company received legal advice regarding the decision-making process of making the announcement of its opinion on the Tender Offer, the manner of decision-making and other points to be noted from Anderson, Mori & Tomotsune, which is a legal adviser independent from the Target Company and the Tender Offeror, in order to ensure the transparency and the rationality of the decision-making process of the Transaction, including the Tender Offer, among other things.

(iv) Unanimous Approval of Directors and Auditors Who Are Not Stakeholders of the Target Company

According to the Target Company Press Release, the board of directors of the Target Company carefully deliberated terms and conditions of the Tender Offer in consideration of the share valuation report provided by SMBC Nikko Securities, the report dated June 13, 2013 provided by the independent committee and the legal advice of Anderson, Mori & Tomotsune, among other things.

As a result, the board of directors of the Target Company decided that, considering the managerial issues the Target Company faces and the business environment surrounding the Target Group which are stated in “(2) Background to, Purpose of and Decision-Making Process of the Decision to Implement the Tender Offer; Management Policy after the Tender Offer” in “1. Purpose of the Purchase” above, it was important for the sustainable growth of the Target Company and further improvement of corporate value of the Target Company in the medium to long term, that the measures of (i) the strengthening of the business models adopting revenue-linked charging methods such as “Simplex FX” which is a part of the UMS Business, and the deliberations for entering into the financial service business that utilizes know-how accumulated in the financial system solution business, (ii) the launching of a service targeting clients in the primary deliberation stage in the SI Business, and (iii) global expansion, as proposed by the Tender Offeror, which are generally consistent with the core business plan stipulated in “Bridge 2016,” the three year plan to be started in the business year ending in March 2014 disclosed by the Target Company on April 25, 2013, are implemented in a speedier manner and with a bolder concentration of management resources than anticipated by the Target Company at the time of stipulation of “Bridge 2016.” However, as stated by the Tender Offeror, with respect to the implementation of the measures (ii) and (iii) above, increase of costs for the time being as well as the short-term adverse effect on the existing business of the Target Company is unavoidable, and risks that the turnover and profit will decrease for at least a few years are involved. With respect to the implementation of the measure (i) above, revenue fluctuation risks inherent in financial business will be involved, and further, additional upfront investments including research and development costs will necessarily be incurred. Therefore, given the fact that it is necessary to avoid influence of any inevitable risk arising from such measures to the shareholders of the Target Company, the delisting of the Target

Shares by the Transaction will contribute to the maximization of the Target Company's corporate value and that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable and the Tender Offer is consistent with the interests of the shareholders of the Target Company. Therefore, the board of directors of the Target Company, at a meeting held on June 13, 2013, resolved, through a unanimous decision of directors present at the discussion (out of five directors, three directors present excluding Mr. Kaneko and Mr. Igarashi) to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company accept the Tender Offer. With respect to the Share Options, the board of directors resolved, through a unanimous decision of directors present at the discussion (consisting of above three directors) to leave the decision of whether to accept the Tender Offer to the holders of the Share Options because the Share Options were granted to officers and employees of the Target Company as part of stock option and the reasonableness of the price of the Share Options have not been verified. Company auditors who were present at the relevant board of directors meeting (out of four company auditors, four company auditors present) have stated opinions to the effect that they do not object to the above resolutions.

Mr. Kaneko, the representative director and president of the Target Company, and Mr. Igarashi, director and vice-president of the Target Company, have not participated in any discussion or resolution in the board of directors meetings of the Target Company regarding the Transaction including the Tender Offer, and have not participated in the discussions and negotiations between the Tender Offeror in a position of the Target Company, because (i) they have executed the Share Tender Agreements between the Tender Offeror, in which they agreed to tender in the Tender Offer all of the Target Shares they hold, and (ii) they are planning to make investments in the Tender Offeror after the settlement of the Tender Offer, and they therefore have structural conflict of interests between the Target Company in the Transaction.

Further, because the Share Options are granted as stock options and any transfer thereof is prohibited in the Share Options Allotment Agreement, the Target Company does not plan to approve any transfer thereof in the event the holders of the Share Options tender their Share Options in the Tender Offer.

(v) Securing Objective Circumstances that Ensure Appropriateness of the Price and the Fairness of the Tender Offer

The Tender Offeror has set the Tender Offer Period to be 36 business days, while the shortest period set forth by law is 20 business days. By setting a comparatively long Tender Offer Period, it is intended that, while ensuring the opportunity for appropriate decisions to be made on the acceptance of the Tender Offer by the shareholders and the holders of the Share Options of the Target Company, opportunities for persons other than the Tender Offeror to purchase the ordinary shares and the Share Options of the Target Company are ensured, and appropriateness of the Tender Offer Price is thereby ensured.

In addition, the Tender Offeror and the Target Company do not have any agreement which may restrict communications between the persons proposing competing purchase and the Target Company, such as an agreement including provisions for protection of transactions, which prohibit the Target Company from communicating with the persons proposing competing purchase. The Tender Offeror has given

consideration to ensure fairness of the Tender Offer by ensuring opportunities for competing purchase, in addition to the establishment of the Tender Offer Period above.

(vi) Establishment of a Minimum Number of Shares to be Purchased

As a condition for completion of the Tender Offer, the Tender Offeror established the minimum number of shares to be purchased at the Tender Offer (393,567 shares, Shareholding Ratio: 66.71%). The minimum number of shares to be purchased is the number of shares that is the sum of (a) and (b), where (a) is the majority number of shares (173,957 shares, which is the number of Target Shares equivalent to the majority number of the sum of the Target Shares held by persons other than the Tendering Shareholders and the Target Company as of the date hereof, and the Target Shares which may result from the exercise of such number of Share Options obtained by deducting the number of Share Options that are held by the Tendering Shareholders and expected to be tendered in the Tender Offer as Target Shares after their exercise, from the number of Series 3 Share Options, Series 4 Share Options, Series 6 Share Options and Series 7 Share Options remaining as of December 31, 2012, which are Share Options which have vested and for which the exercise price is lower than the Tender Offer Price as of the date hereof, i.e. “majority of minority”) of the sum of (i) and (ii) below (347,912 shares), and (b) is the number of the Target Shares to be tendered by the Tendering Shareholders (including the 1,225 Target Shares which Mr. Igarashi will come to own as a result of exercising Series 3 Share Options (49 units) held as of the date hereof, and in total, 219,610 shares). (i) is the amount calculated by subtracting (A) the number of treasury shares that the Target Company owned as of December 31, 2012, as stated in the 16th Term Q3 Report (29,470 shares) and (B) the number of Target Shares owned by the Tendering Shareholders as of the date hereof (218,385 shares), from the number of issued shares as of December 31, 2012 (589,955 shares) as stated in the 16th Term Q3 Report (342,100 shares); (ii) is the maximum number of Target Shares 5,812 shares) that may result from the exercise of such number of the Share Options (1,364 units) obtained by (A) reflecting any changes up to December 31, 2012 (according to the Target Company, 185 units (representing 4,625 Target Shares) of the Series 3 Share Options, 3,296 units (representing 16,480 Target Shares) of Series 4 Share Options, 11,978 units (representing 11,978 Target Shares) of Series 6 Share Options and 6,390 units (representing 6,390 Target Shares) of the Series 7 Share Options have already been extinguished by December 31, 2012) to (B) Target Shares (9,200 shares) which may result from the exercise of such number of Series 3 Share Options (368 units), Target Shares (18,020 shares) which may result from the exercise of such number of Series 4 Share Options (3,604 units), Target Shares (12,560 shares) which may result from the exercise of such number of Series 6 Share Options (12,560 units) and Target Shares (6,730 shares) which may result from the exercise the number of Series 7 Share Options (6,730 units) as of May 31, 2012 as stated in the 15th Term Securities Report, and (C) further deducting the number of Series 3 Share Options (49 units) owned by Mr. Igarashi which are expected to be exercised and tendered in the Tender Offer as Tendered Shares by Mr. Igarashi, a Tendering Shareholder. As provided above, the Tender Offeror will not implement the Tender Offer and the Transaction without the support of the shareholders to respect the decisions of the minority shareholders of the Target Company.

(iii) Relationship with the appraisal institution

Not applicable. The Tender Offeror has not obtained valuation reports from third party institutions in connection with the determination of the Tender Offer Price.

(5) Number of Shares to be Purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
616,343 shares	393,567 shares	— shares

Notes:

- (1) If the total number of tendered shares does not reach the minimum number of shares to be purchased (393,567 shares), none of the tendered shares will be purchased. If the total number of tendered shares exceeds the minimum number of shares to be purchased (393,567 shares), all of the tendered shares will be purchased.
- (2) The Tender Offeror does not plan to purchase any treasury shares held by the Target Company.
- (3) The Tender Offeror has not established any maximum number of shares to be purchased at the Tender Offer. Therefore, the number of shares to be purchased represents the maximum number of shares which may be acquired by the Tender Offeror (616,343 shares). The maximum number of shares to be purchased is calculated by deducting (a) (29,470 shares) from the sum of (b) and (c) (645,813 shares) below, where (a) is the number of treasury shares owned by the Target Company as of December 31, 2012 as stated in the 16th Term Q3 Report, where (b) is the total number of issued shares as of December 31, 2012 as stated in the 15th Term Securities Report (589,955 shares), and where (c) is the maximum number of Target Shares (55,858 shares) that may result from the exercise of the Share Options (49,434 units) the number of which is calculated by reflecting (i) the changes made up to December 31, 2012 (according to the Target Company, 185 units from the Series 3 Share Options, 3,296 units from the Series 4 Share Options, 2,560 units from the Series 5 Share Options, 11,978 units from the Series 6 Share Options, 6,390 units from the Series 7 Share Options, 21,290 units from the Series 8 Share Options and 72 units from the Series 9 Share Options have already been extinguished by December 31, 2012) to (ii) the number of the Series 3 Share Options (368 units), the number of the Series 4 Share Options (3,604 units), the number of the Series 5 Share Options (2,760 units), the number of the Series 6 Share Options (12,560 units), the number of the Series 7 Share Options (6,730 units) and the number of the Series 8 Share Options (21,360 units) as of May 31, 2012 as stated in the 15th Term Securities Report, as well as the number of the Series 9 Share Options (47,823 units) as stated in the 16th Term Q3 Report.
- (4) Share Options other than Series 8 Share Options and Series 9 Share Options may be exercised before the last day of the Tender Offer Period. Target Shares issued or transferred pursuant to such exercise will be subject to purchase in the Tender Offer.

(6) Change in Shareholding Ratio as a Result of the Purchase

Number of voting rights represented by the shares held by the Tender Offeror prior to the purchase	- rights	(shareholding ratio before the purchase - %)
Number of voting rights represented by the shares held by specially interested parties prior to the purchase	101,372 rights	(shareholding ratio before the purchase 16.45%)
Number of voting rights represented by the shares to be purchased	616,343 rights	(shareholding ratio after the purchase 100.00%)
Number of voting rights of all shareholders of the Target Company	560,485 rights	

(Notes)

- (1) The “number of voting rights represented by the shares. etc. to be purchased” indicates the number of voting rights represented by the number of shares to be purchased in the Tender Offer (616,343 shares).
- (2) The “number of voting rights represented by the shares held by specially interested parties prior to the purchase” indicates the total number of voting rights represented by the number of shares held by each specially interested party. In the calculation of “number of voting rights of all shareholders of the Target Company” the “number of voting rights represented by the shares held by specially interested parties prior to the purchase” has not been added to the numerator because the shares held by specially interested parties are subject to the Tender Offer.
- (3) The “number of voting rights of all the shareholders of the Target Company” indicates the number of voting rights of all the shareholders as of December 31, 2012 as stated in the 16th Term Q3 Report. However, because all of the Target Shares (excluding treasury shares held by the Target Company) and the Share Options are the subject of the Tender Offer, the “shareholding ratio before the purchase” and the “shareholding ratio after the purchase” are calculated as follows. The “number of voting rights of all shareholders of the Target Company” is calculated as the number of voting rights (616,343 voting rights) represented by the number of shares (616,343 shares) calculated by deducting (a) (29,470 shares) from the sum of (b) and (c) (645,813 shares) below, where (a) is the number of treasury shares owned by the Target Company as of December 31, 2012 as stated in the 16th Term Q3 Report, where (b) is the total number of issued shares as of December 31, 2012 as stated in the 15th Term Securities Report (589,955 shares), and where (c) is the maximum number of Target Shares (55,858 shares) that may result from the exercise of the Share Options (49,434 units) the number of which is calculated by reflecting (i) the changes made up to December 31, 2012 (according to the Target Company, 185 units from the Series 3 Share Options, 3,296 units from the Series 4 Share Options,

2,560 units from the Series 5 Share Options, 11,978 units from the Series 6 Share Options, 6,390 units from the Series 7 Share Options, 21,290 units from the Series 8 Share Options and 72 units from the Series 9 Share Options have already been extinguished by December 31, 2012) to (ii) the number of the Series 3 Share Options (368 units), the number of the Series 4 Share Options (3,604 units), the number of the Series 5 Share Options (2,760 units), the number of the Series 6 Share Options (12,560 units), the number of the Series 7 Share Options (6,730 units) and the number of the Series 8 Share Options (21,360 units) as of May 31, 2012 as stated in the 15th Term Securities Report, as well as the number of the Series 9 Share Options (47,823 units) as stated in the 16th Term Q3 Report.

- (4) With respect to the “shareholding ratio before the purchase” and “shareholding ratio after the purchase,” any fraction less than a thousandth digit is rounded off to the closest hundredth digit.

(7) Purchase Price 25,583 million yen

(Note) The “purchase price” is the sum of (i) and (ii) below, where (i) is the amount obtained by multiplying the purchase price per share (45,000 yen) with the number of shares (568,522 shares) obtained by deducting the number of Target Shares (47,821 shares) which may be issued pursuant to the exercise of Series 8 Shares Options (70 units) and Series 9 Share Options (47,751 units), which will not be exercised during the Tender Offer Period because the exercise period therefor will not fall within the Tender Offer Period for the Tender Offer, from the number of shares to be purchased in the Tender Offer (616,343 shares), and (ii) is the amount obtained by multiplying the purchase price per share option (1 yen) with the sum of the number of Series 8 Shares Options (70 units) and Series 9 Share Options (47,751 units).

(8) Settlement Method

- (i) Name and address of the principal office of the financial instruments business operator, banks that will settle the Tender Offer

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

- (ii) Commencement date of the settlement

Monday, August 12, 2013

- (iii) Settlement method

Without delay after the conclusion of the Tender Offer Period, the Company will send by mail to the address of each tendering shareholder (or, in the case of foreign shareholders, their standing proxies) a notice of purchase, through the Tender Offer. Purchases will be made in cash. The sales price of the share certificates, etc. purchased will be remitted by the Tender Offer Agent, without delay after the settlement commencement date, to a location designated by the tendering shareholder (or, in the case of foreign shareholders, their standing proxies), in accordance with the instructions of the tendering shareholder (or, in the case of foreign shareholders, their

standing proxies) or paid into the account held by the Tender Offer Agent for the tendering shareholder

(iv) Method for returning share certificates

If none of the share certificates tendered are purchased in accordance with the conditions set out in “(i) Existence and content of conditions provided in each item under Article 27-13 (4) of the Act” or “(ii) Existence and content of conditions for withdrawal of the tender offer and method of disclosing withdrawal”, under “(9) Other Conditions and Methods of Purchase” below, the Tender Offer Agent will, promptly after the settlement commencement date (or, if the Tender Offer is revoked, the date the revocation was made), return the share certificates that are required to be returned.

The shares will be returned, in the condition that they were in when they were tendered.

Share Options shall be returned by means of delivery to the tendering shareholder or mailing to the address of the tendering shareholder the documents that were submitted upon tendering of the Share Options, pursuant to the respective instructions from such tendering shareholder.

(9) Other Conditions and Methods of Purchase

(i) Existence and content of conditions provided in each item under Article 27-13 (4) of the Act

If the total number of tendered shares does not reach the minimum number of shares to be purchased (393,567 shares), none of the tendered shares will be purchased. If the total number of tendered shares is equal to or exceeds the minimum number of shares to be purchased (393,567 shares), all of the tendered shares will be purchased.

(ii) Existence and content of conditions for withdrawal of the tender offer and method of disclosing withdrawal

If any of the matters arise that are provided for in Article 14, Paragraph 1, Item 1, Sub-items A through I or L through R or Item 3, Sub-items A through H or J, of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; as amended, the “Order”) or Items 3 through 6 of Paragraph 2 of that Article, the Tender Offeror may revoke the Tender Offer. In the context of the Tender Offer, examples of matters that correspond to the events listed in Article 14, Paragraph 1, Item 3, Sub-items A through I of the Order as provided for in Sub-item J of that Item are the following:

(x) where a false statement concerning a material matter is found in a statutory disclosure document submitted by the Target Company in the past or where a statement of a material matter required to be included in such a document is found to have been omitted; or

(y) where matters provided under Item 3, Sub-items A through I arises in a material subsidiary of the Target Company.

If the Tender Offeror is to revoke the Tender Offer, it will give an electronic public notice and will place a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in accordance with the method

provided for in Article 20 of the Cabinet Office Ordinance Relating to Disclosure of Tender Offer for Share Certificates by a Person Other than the Issuer (Ministry of Finance Ordinance No. 38 of 1990; as amended, the “Ordinance”) and then immediately give the public notice.

(iii) Conditions for reduction in purchase price and method of disclosure of reduction

In accordance with Article 27-6, Paragraph 1, Item 1, of the Act, if the Target Company carries out an act provided for in Article 13, Paragraph 1, of the Order during the Tender Offer Period, the Tender Offeror may reduce the purchase price in accordance with the criteria provided for in Article 19, Paragraph 1, of the Ordinance.

If the Tender Offeror is to reduce the purchase price, it will give an electronic public notice and will place a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in accordance with the method provided for in Article 20 of the Ordinance and then immediately give the public notice. If the Tender Offeror does reduce the purchase price, the share certificates tendered on or before the day of the public notice will also be purchased at the reduced price.

(iv) Matters relating to tendering shareholders' right to cancel contracts

Any tendering shareholder may cancel its contract relating to the Tender Offer at any time during the Tender Offer Period. If you wish to do so, please attach your acknowledgement of receipt of offer to tender shares in tender offer to a written document stating to the effect that you are cancelling your contract relating to the Tender Offer (the “Cancellation Notice”) and deliver or send it to the head office or domestic branch office of the Tender Offer Agent that your share certificates were received at, by 3:00 P.M. on the last day of the Tender Offer Period. The cancellation will take effect when the Cancellation Notice is delivered to or reaches the Tender Offer Agent. Please therefore be careful to note that if you send a Cancellation Notice and it does not reach the Tender Offer Agent by 3:00 P.M. on the last day of the Tender Offer Period, you will not be able to cancel your contract.

Even if a tendering shareholder cancels its contract, the Tender Offeror will not bring a claim for payment of compensation or penalty against the tendering shareholder. Furthermore, the Tender Offeror will bear the expenses required to return the share certificates tendered. If the Tender Offeror receives notice of a cancellation, it will return the share certificates tendered using the method set out in “(iv) Method for returning share certificates” in “(8) Settlement Method” above promptly upon completion of the procedures relating to the notice of cancellation.

(v) Method of disclosure in the event of amendment to purchase conditions etc.

The Tender Offeror may amend the purchase conditions during the Tender Offer Period, except for where doing so is prohibited under Article 27-6, Paragraph 1, of the Act and Article 13 of the Order. If the Tender Offeror is to amend a purchase condition, it will give an electronic public notice on the content of the amendment and will place a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in accordance with the method provided for in Article 20 of the Ordinance and then immediately give the public notice. If a purchase condition is amended, the share certificates tendered on or before the day of

the public notice will also be purchased in accordance with the amended purchase condition.

(vi) Method of disclosure in the event of filing of an amendment statement

If the Tender Offeror files an amendment statement to the Kanto Finance Bureau, it will immediately give public announcement, by the method provided for in Article 20 of the Ordinance, of details in the statement that relate to details that were set out in the tender offer commencement public notice. It will also immediately amend the tender offer explanatory statement and amend and deliver the amended tender offer explanatory statement to tendering shareholders who had already received delivery of the pre-amendment tender offer explanatory statement. However, if the scope of the amendments is only minor, the Tender Offeror will make the amendments by preparing a document setting out the reasons for the amendments, the amended matters, and their details after amendment and delivering that document to tendering shareholders.

(vii) Method of disclosure of results of the tender offer

The results of the Tender Offer will be publicly announced by the method provided for in Article 9-4 of the Order and Article 30-2 of the Ordinance on the day immediately following the last day of the Tender Offer Period.

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

Friday, June 14, 2013

(11) Tender Offer Agent

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

3. Policies and Outlook after the Tender Offer

Please see “(6) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)” and “(7) Prospect of Being Delisted and the Grounds Therefor” in “1. Purpose of the Purchase”

4. Miscellaneous

(1) Existence and Content of Agreements between the Tender Offeror and the Target Company or its Officers

The Tender Offeror has executed the Share Tender Agreements with Tendering Shareholders on June 13, 2013, and the Tendering Shareholders have agreed to tender all of the Target Shares each of them holds (219,610 shares in total, shareholding ratio: 37.22%, including the 1,225 Target Shares which Mr. Igarashi will come to own as a result of exercising Series 3 Share Options (49 units) he holds as of the date hereof, and this applies in this section (8)). Out of 37,085 Target Shares that Mr. Kaneko owns, Nomura Trust and Banking has a security interest over 33,185 Target Shares, Societe General Private Banking has a security interest over 1,150 Target Shares, and Osaka Securities Finance has a security interest over 2,750 Target Shares. However, under

the Share Tender Agreement, Mr. Kaneko is required to tender in the Tender Offer all the Target Shares that he owns after terminating such security interests. Out of 23,250 Target Shares that Mr. Fukuyama owns, Societe General Private Banking has a security interest over 7,000 Target Shares, and Mita Securities has a security interest over 2,100 Target Shares. However, under the Share Tender Agreement, Mr. Fukuyama is required to tender in the Tender Offer all the Target Shares that he owns after terminating such security interests. Furthermore, under Share Tender Agreements, Tendering Shareholders are obligated to tender all of the Target Shares in the Tender Offer subject to the following conditions: (i) the Tender Offer has commenced legally and effectively, and has not been withdrawn, (ii) there is no material error in the representations and warranties provided by the Tender Offeror to the Tendering Shareholders in the Share Tender Agreements (see Note 1 below) at any point in time from the date of execution of the Share Tendering Agreements to the commencement date of the Tender Offer, (iii) there is no material breach of obligations under the Share Tender Agreements by the Tender Offeror (see Note 2 below). Furthermore, under the Share Tender Agreements, Tendering Shareholders may also tender to the Tender Offer by waiving such conditions at their discretion. In addition, under the Share Tender Agreements, Tendering Shareholders are prohibited from cancelling the tender unless approved in writing by the Tender Offeror in advance.

(Note 1) Under the Share Tender Agreements, the Tender Offeror has provided the following representations and warranties to the Tendering Shareholders: (i) execution and performance of the Share Tender Agreements, (ii) legal bindingness and the enforceability, (iii) no conflict with the laws and (iv) acquisition or performance of permits and licenses.

(Note 2) Under the Share Tender Agreements, the Tender Offeror is subject to general obligations such as confidentiality.

According to the Target Company Press Release, the board of directors of the Target Company carefully deliberated terms and conditions of the Tender Offer in consideration of the share valuation report provided by SMBC Nikko Securities, the report dated June 13, 2013 provided by the independent committee and the legal advice of Anderson, Mori & Tomotsune, among other things.

As a result, the board of directors of the Target Company decided that, considering the managerial issues the Target Company faces and the business environment surrounding the Target Group which are stated in “(2) Background to, Purpose of and Decision-Making Process of the Decision to Implement the Tender Offer; Management Policy after the Tender Offer” in “1. Purpose of the Purchase” above, it was important for the sustainable growth of the Target Company and further improvement of corporate value of the Target Company in the medium to long term, that the measures of (i) the strengthening of the business models adopting revenue-linked charging methods such as “Simplex FX” which is a part of the UMS Business, and the deliberations for entering into the financial service business that utilizes know-how accumulated in the financial system solution business, (ii) the launching of a service targeting clients in the primary deliberation stage in the SI Business, and (iii) global expansion, as proposed by the Tender Offeror, which are generally consistent with the core business plan stipulated in “Bridge 2016,” the three year plan to be started in the business year ending in March 2014 disclosed by the Target Company on April 25, 2013, are implemented in a speedier manner and with a bolder concentration of management resources than anticipated by the Target Company at the time of stipulation of “Bridge 2016.” However, as stated by the Tender Offeror, with respect to the implementation of the measures (ii) and (iii) above,

increase of costs for the time being as well as the short-term adverse effect on the existing business of the Target Company is unavoidable, and risks that the turnover and profit will decrease for at least a few years are involved. With respect to the implementation of the measure (i) above, revenue fluctuation risks inherent in financial business will be involved, and further, additional upfront investments including research and development costs will necessarily be incurred. Therefore, given the fact that it is necessary to avoid influence of any inevitable risk arising from such measures to the shareholders of the Target Company, the delisting of the Target Shares by the Transaction will contribute to the maximization of the Target Company's corporate value and that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable and the Tender Offer is consistent with the interests of the shareholders of the Target Company. Therefore, the board of directors of the Target Company, at a meeting held on June 13, 2013, resolved, through a unanimous decision of directors present at the discussion (out of five directors, three directors present excluding Mr. Kaneko and Mr. Igarashi) to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company accept the Tender Offer. With respect to the Share Options, the board of directors resolved, through a unanimous decision of directors present at the discussion (consisting of above three directors) to leave the decision of whether to accept the Tender Offer to the holders of the Share Options because the Share Options were granted to officers and employees of the Target Company as part of stock option and the reasonableness of the price of the Share Options have not been verified. Company auditors who were present at the relevant board of directors meeting (out of four company auditors, four company auditors present) have stated opinions to the effect that they do not object to the above resolutions.

Mr. Kaneko, the representative director and president of the Target Company, and Mr. Igarashi, director and vice-president of the Target Company, have not participated in any discussion or resolution in the board of directors meetings of the Target Company regarding the Transaction including the Tender Offer, and have not participated in the discussions and negotiations between the Tender Offeror in a position of the Target Company, because (i) they have executed the Share Tender Agreements between the Tender Offeror, in which they agreed to tender in the Tender Offer all of the Target Shares they hold, and (ii) they are planning to make investments in the Tender Offeror after the settlement of the Tender Offer, and they therefore have structural conflict of interests between the Target Company in the Transaction.

Further, because the Share Options are granted as stock options and any transfer thereof is prohibited in the Share Options Allotment Agreement, the Target Company does not plan to approve any transfer thereof in the event the holders of the Share Options tender their Share Options in the Tender Offer.

Other than the Share Tender Agreements executed with the Tendering Shareholders, the Tender Offeror has not made any agreements related to the Tender Offer. However, the Sponsor Funds, who are shareholders of the Tender Offeror, executed a memorandum on June 13, 2013 with the Management Team, etc. Under the memorandum, the Management Team, etc. has agreed to make tenders in the Tender Offer in accordance with the Share Tender Agreements, and if the Tender Offer is completed, to re-invest in the Tender Offeror certain portion of the purchase price of the Target Shares tendered. In addition, if the Tender Offer is completed, the Tender Offeror has agreed with Mr. Kaneko and Mr. Igarashi to execute a shareholders

agreement including the items provided under “(i) Shareholders Agreement” below and a management delegation agreement including the items provided under “(ii) Management Agreement” below, and with Mr. Fukuyama to execute a shareholders agreement including the items provided under “(i) Shareholders Agreement” below. Provided, however, that items (a), (b) and (d) under “(i) Shareholders Agreement” below are intended to be included only in the agreement with Mr. Kaneko.

- (i) Shareholders Agreement
 - (a) Matters related to the Director, Representative Director, Auditor, and other matters relating to the management of the Tender Offeror and the Target Company (including surviving/new company to be survived or incorporated through the reorganization activities including mergers; the same applies hereinafter);
 - (b) Matters related to the business of the Tender Offeror or the Target Company, or their group companies which require the prior consent of the Sponsor Funds and the contracting party from the Management Team, etc.;
 - (c) Matters concerning the transfer restrictions of the Tender Offeror’s shares owned by the Management Team, etc.;
 - (d) Matters concerning the procedures for transfer of the Tender Offeror’s shares owned by the Sponsor Funds and the first refusal right of the Management Team, etc.;
 - (e) Matters concerning the Sponsor Funds’ drag along right against the Management Team, etc., in case of transfer of the Tender Offeror’s shares owned by the Sponsor Fund; and
 - (f) Matters concerning the Management Team, etc.’s tag along right against the Sponsor Funds, in case of transfer of the Tender Offeror’s shares owned by the Sponsor Funds.
- (ii) Management Agreement.
 - (a) Delegation by the Sponsor Funds to the Management Team of the management of the Target Company and the group companies of the Target Company as their directors;
 - (b) Certain covenants by the Management Team in connection with his delegated duties;
 - (c) Matters concerning the remunerations of the Management Team;
 - (d) Matters concerning the term of office, the restriction of resignation and obligation of reappointment, causes for resignation and removal; and
 - (e) Matters concerning non-compete obligation, and non-solicitation obligation of other officers and employees

(2) Background to, Purpose of and Decision-Making Process of the Decision to Implement the Tender Offer; Management Policy after the Tender Offer

Please refer to “(2) Background to, Purpose of and Decision-Making Process of the Decision to Implement the Tender Offer; Management Policy after the Tender Offer” in “1. Purpose of the Purchase” above.

(3) Measures to Ensure Fairness for the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

Please refer to “(5) Measures to Ensure Fairness for the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” in “1. Purpose of the Purchase” above.

(4) Other Information Necessary for Investors to Determine whether or not to Accept the Tender Offer

The Target Company announced the earnings briefing for business year ended March 2013 (Japanese standard) (consolidated) on April 23, 2013 at the Tokyo Stock Exchange. The overview of the earnings briefing of the Target Company based on the announcement is as follows. The earnings briefing has not been audited by an audit firm pursuant to Article 193-2 (1) of the Act. The following overview of the announcement is an extract of the announcement made by the Target Company. The Tender Offeror is not in the position to independently verify the accuracy and the truthfulness of the announcement and in fact has not verified the announcement. For the details, please refer to the announcement of the Target Company.

Overview of the earnings briefing for business year ended March 2013 (Japanese standard) (consolidated) (announced on April 25, 2013)

(1) Profits and Losses (consolidated)

Business Year	March 2013 (16 th Term)
Sales	16,620 million yen
Cost of sales	10,857 million yen
Selling and general administrative expenses	3,355 million yen
Non-operating income	28 million yen
Non-operating expenses	17 million yen
Net profit for the term	1,523 million yen

(2) Per share basis (consolidated)

Business Year	March 2013 (16 th Term)
Net profit per share for the term	2,732.58 yen
Dividend per share	520.00 yen
Net asset per share	16,422.52 yen

(3) Forecast for consolidated results for the business year ending in March 2014
(from April 1, 2013 to March 31, 2014)

Business Year	2 nd Quarter	Full term
Sales	7,300 million yen	15,500 million yen
Operating profit	880 million yen	2,200 million yen
Current profit	880 million yen	2,200 million yen
Net profit for the term	530 million yen	1,300 million yen
Net profit per share for the term	942.83 yen	2,312.61 yen
Dividend per share	0.00 yen	1,000.00 yen

End

Restrictions on Insider Transactions

Please be advised that anyone who has viewed the information contained in this press release, as a first information recipient for purposes of insider trading restrictions under Article 167 (3) of the Financial Instruments and Exchange Act, and Article 30 of the Enforcement Order of the Financial Instruments and Exchange Act, may be prohibited from purchasing the shares of Simplex Holdings, Inc. for 12 hours after the announcement of this press release. The Tender Offeror will not be held responsible for any criminal, civil, or administrative liabilities that such person may be responsible for as a result of his or her purchases.

Restrictions on Solicitation

This press release is intended for the announcement of the Tender Offer to the general public and is not intended to solicit sales of shares. If anyone desires to sell his or her shares, the shareholder should review the Tender Offer explanatory statement and accept the Tender Offer in his or her own discretion. This press release is not considered as an offer or solicitation of sales of securities or as a solicitation of a purchase offer, and does not constitute any such part. This press release (or any part thereof) or the fact of its distribution does not provide a basis of any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

Forward Looking Statements

This press release may include certain forward-looking statements with expressions such as “anticipate,” “forecast,” “intend,” “plan,” “believe” and “assume,” including those related to the future business of the Tender Offeror and other corporations. Such forward-looking statements are based on the views of the management of the Tender Offeror on its business forecasts at this time, and actual results may differ from such descriptions depending on future circumstances. As for the press release, the Tender Offeror shall undertake no obligation to update any forward-looking statements to reflect events or circumstance that may arise after this release.