



平成 19 年 10 月 4 日

各 位

プリヴェ企業投資ホールディングス株式会社  
代表取締役社長 松村 謙三  
(コード番号 6720 東証第 2 部)  
問合せ先 取締役 辻 一馬  
(TEL. 03-5521-1151)

(訂正) 『(英訳) 平成 19 年 9 月 27 日開示「イー・レヴォリューション株式会社との  
同社の企業再生に向けた基本合意等締結、公開買付けの開始、同社第三者割  
当増資の引受け及び同社との合併に関するお知らせ」』の一部訂正に関するお  
知らせ

October 4, 2007

Privée Investment Holdings Co., Ltd.

Kenzo Matsumura, CEO

Second Section of the Tokyo Stock Exchange

Code number: 6720

Enquiries: Kazuma Tsuji, Director

Tel.: 03-5521-1151

To Whom It May Concern:

**Notice regarding amendment of “Notice for Conclusion of a Basic Agreement and Other Documents concerning the Corporate Revitalization of, Commencement of a Tender Offer against, Subscription to Shares issued for Capital Increase by Third-Party Allotment by, and Merger with e-Revolution Co., Ltd.”**

Privée Investment Holdings Co., Ltd. hereby announces that it has made corrections to a part of “Notice for Conclusion of a Basic Agreement and Other Documents concerning the Corporate Revitalization of, Commencement of a Tender Offer against, Subscription to Shares issued for Capital Increase by Third-Party Allotment by, and Merger with e-Revolution Co., Ltd.” disclosed on September 27, 2007.

\* Corrections are underlined below.



平成 19 年 10 月 4 日

各 位

プリヴェ企業投資ホールディングス株式会社  
代表取締役社長 松村 謙三  
(コード番号 6720 東証第 2 部)  
問合せ先 取締役 辻 一馬  
(TEL. 03-5521-1151)

(英訳) 平成 19 年 9 月 27 日開示「イー・レヴォリューション株式会社との同社の企業再生に向けた基本合意等締結、公開買付けの開始、同社第三者割当増資の引受け及び同社との合併に関するお知らせ」

記

September 27, 2007  
Privée Investment Holdings Co., Ltd.  
Kenzo Matsumura, CEO  
Second Section of the Tokyo Stock Exchange  
Code number: 6720  
Enquiries: Kazuma Tsuji, Director  
Tel.: 03-5521-1151

To Whom It May Concern:

**Notice for Conclusion of a Basic Agreement and Other Documents concerning the Corporate Revitalization of, Commencement of a Tender Offer against, Subscription to Shares issued for Capital Increase by Third-Party Allotment by, and Merger with e-Revolution Co., Ltd.**

Privée Investment Holdings Co., Ltd. (the “**Company**”) hereby gives notice that, based upon the resolution at its board of directors’ meeting held on September 27, 2007, a “basic agreement” and a “memorandum of agreement” were concluded with respect to the following items:

- (i) after e-Revolution Co., Ltd. (JASDAQ Code: 4233, the “**Target Company**”), an equity-method affiliate of TOMY Co., Ltd., has caused all of its business to be succeeded to by a new company established by corporate split in a step toward corporate revitalization and has become a holding company (the “**Holding Company**”), the Company will merge with the Holding Company on April 1, 2008 (the “**Merger**”);
- (ii) prior to the Merger, the Company will acquire Target Company shares through tender offer (the “**Tender Offer**”); and

- (iii) the Target Company will become a consolidated subsidiary of the Company through subscription to shares issued for capital increase by third-party allotment (the “**Third-Party Allotment**”)

Please note that the Merger is conditional on approval by the shareholders’ meeting.

## Particulars

### 1. Purpose of this transaction

#### Background and rationale for undertaking the Tender Offer

The Company group is made up of eight consolidated subsidiaries underneath the Company, which is their holding company. It primarily engages in the business of investing in listed shares and the like, funds business, and investment business related to corporate revitalization.

Investment business related to corporate revitalization is the business to enhance the corporate value of companies it has acquired the management rights for through corporate acquisitions and so on, by directly participating in their management, improving their management and business by developing management, finance and other such strategies, and implementing management control systems.

Thus far, the Company group has achieved corporate revitalization in its network business divisions at Shizuoka Nissan Auto Sales Co., Ltd., Mikawa Nissan Motor Co., Ltd. and Kanda Tsushin Kogyo Co., Ltd. in its investment business related to corporate revitalization. Additionally, there have been positive results in the performance of investments through assignment of shares to third-parties in corporations that have achieved corporate revitalization after bearing prospects for improvement.

The Company makes use of the abundance of know-how it has accumulated, through its investment business related to corporate revitalization, in the business of investing in listed shares and the like and funds business. It investigates and discovers companies with hidden prime assets and potentially positive prospects, makes investments, and subsequently presents management reforms and the like as a shareholder of the company in which it is investing in an attempt to enhance the corporate value of that company.

The Target Company, which is listed on the JASDAQ Securities Exchange, Inc. (“**JASDAQ**”) market, carried out manufacturing and sales of window films and the like used in cars after its establishment in 1962, but expanded its business to include the new business field of entertainment, which includes general goods and toys, after forming a capital alliance with Takara, Co., Ltd. (currently TOMY Co., Ltd.) and becoming its equity-method affiliate in November 2003.

However, the past few years have seen the Target Company experience a harsh managerial environment with the effects of a reduction in the aftermarket for car goods leading to decreased

sales. Subsequently, the FY 2006-2008 Mid-term Management Plan (Corporate Revitalization Plan) was established in December 2006 and an attempt was made as a group to clarify the business field and positioning to break through these circumstances. At the same time, progress was made in the restructuring of cost reductions including personnel reductions, but after sluggish sales and the disposal of long-held goods in stock, the business year ended March 31, 2007, saw the Target Company post consolidated operating losses of 917 million yen and consolidated net losses of 929 million yen.

Under those circumstances, the Company was requested by the Target Company to participate in its management and give financial assistance in an attempt to enhance its corporate value, and as a result the Company began to investigate a capital and business alliance with the Target Company.

While verifying the content of the Target Company's business and the level of operations, the Company reached the conclusion that, by offering the Target Company its managerial resources of know-how regarding corporate revitalization accumulated by the Company through its investment business related to corporate revitalization and numerous personnel with high levels of specialist knowledge, the Target Company may sooner achieve the revitalization plan with the FY 2006-2008 Mid-term Management Plan (Corporate Revitalization Plan) promoted by the Target Company as the foundation, and further expand profits by creating new business.

For corporate revitalization within the Target Company, it is pertinent to introduce and maintain a system by which the management strategy from a mid- to long-term perspective is implemented based on a consistent philosophy and policy without being pressured by short-term changes in performance and short-term demands from a few shareholders. Consequently, the Company believes it necessary to carry out reforms including corporate reorganization of the Target Company.

In order for the Company to adequately understand the Target Company's management and business operations so that it could efficiently support the corporate revitalization, the Company considered it necessary to treat the Target Company as a group company of the Company and, after establishing a capital relationship with it, to have the Company inject managerial resources into the Target Company, with the aim of enhancing the corporate value of the Target Company and the Company group in cooperation with the officers and employees of the Target Company. This led to the implementation of the Tender Offer.

At the same time, in light of the urgent necessity to aim for a stable financial basis of the Target Company, the Company has decided to undertake the Third-Party Allotment of the Target Company.

At the board of directors' meeting held on September 27, 2007, the Target Company resolved to express its support for the Tender Offer, as well as issue shares for subscription (16,666,000 ordinary shares, 60 yen per share) by third-party allotment, where the date of payment would be November 11, 2007, following the expiration of the purchase period for the Tender Offer, and allot all shares to be issued to the Company. Chairman and Director of the Target Company, Mr. Keita Sato, is also the vice president and director of TOMY Co., Ltd., which is the largest shareholder of the Target Company, and has agreed to offer 1,198,000 shares or more in the Target Company through the Tender Offer, so at the aforementioned board of directors' meeting, Mr. Sato did not participate, as he was a special interested party in the resolution expressing support for the Tender Offer.

#### Management policy, etc. after the Tender Offer

The Company will respect the experience and know-how of the management and employees of the Target Company and utilize those resources fully. In addition, the Company will provide its know-how and personnel with regard to the corporate revitalization. Through these efforts, the Company will try to carry out in the near future the revitalization plan established by the Target Company and aims to improve the corporate value of the Target Company by primarily conducting the following measures:

- (1) improve its financial standing;
- (2) thoroughly control inventory and manage sales;
- (3) implement measures to inspire morale among officers and employees;
- (4) establish new revenue bases by expanding into new businesses;
- (5) seek synergies with the existing segments of the Company group, such as the distribution segment; and
- (6) thoroughly manage corporate governance.

#### Organizational restructuring policy after the Tender Offer

The Company was designated as a company subject to the "grace period for undergoing screening based upon the criteria similar to the new-listing screening criteria" on the Tokyo Stock Exchange Group, Inc. ("TSE"; the "TSE Grace Period") as a result of acquiring Shizuoka Nissan Auto Sales Co., Ltd. from Nissan Motor Co., Ltd. and making it its subsidiary on April 1, 2004. The TSE Grace Period commences on April 1, 2004 and ends on March 31, 2008, and if the Company meets the requirements of the screening based on the criteria similar to the new-listing screening criteria during the TSE Grace Period, the Company will be released from the TSE Grace Period. The

Company has strived to engage in increasing its profitability, stabilizing its financial basis, strengthening its corporate governance and carrying out other similar matters in order to be released from it, but because the consolidated business result for the business year ended March 31, 2007, was projected to be a deficit, the Company was not released from the TSE Grace Period as a result of the screening based on the basis period of the business year ended March 31, 2006.

The Company plans to apply for the screening in the latter half of June 2008, based on the basis period of the business year ending March 31, 2008, in order to return to the ordinary post, and has been making efforts to satisfy the profit criteria and to meet the requirements of the screening. However, in light of the concerns of the relevant parties, such as the shareholders and clients of the Target Company, toward the Company's shares or the effects on the market that may arise when the Company acquires the shares of the Target company and makes it its subsidiary in such circumstances, the Company deemed it necessary to ensure that the corporate revitalization of the Target Company is undertaken properly while maintaining the credit status of the Target Company. It was under such circumstances that the Company and the Target Company had several consultations and discussions and recognized that it is necessary to ensure the liquidity of the shares from the perspective of protecting investors. After considering various measures for that purpose, they reached the conclusion that the best way is to conduct the merger by making the Target Company the surviving company and the Company the company to be extinguished.

However, in order to establish the system to support the revitalization as well as to clearly describe the results of the business revival of the Company, the Company and the Target Company deemed that it will be appropriate to undergo the following two steps prior to the Merger: (i) make the Target Company, which is the subject of the revival efforts, a holding company by transferring all of its business to a wholly owned subsidiary (the "**Operating Subsidiary**") by corporate split (the "**Corporate Split**"), and thereafter (ii) conduct the Merger. The Company executed the "basic agreement" and "memorandum of agreement," which are subject to the execution of the Tender Offer and Third-Party Allotment, with the Target Company on September 27, 2007, for the Merger to be implemented on April 1, 2008 (the effective date).

Under the "basic agreement" and the "memorandum of agreement," the Company and the Target Company agree that the Target Company intends to execute the Corporate Split prior to the Merger on April 1, 2008 (the effective date) and thereafter to execute the Merger on the same date. Consequently, the Company and the Target Company will continue to negotiate for the consummation of the Corporate Split and the Merger.

The Holding Company will establish a structure in which the Holding Company aims to achieve the expected purposes while maintaining its listing on the JASDAQ market, and it will keep a system enabling it to smoothly provide company revitalization support to the Operating Subsidiary, which is to become its wholly-owned subsidiary.

The Target Company's shares held by the shareholders who did not apply for the Tender Offer will become shares of the Holding Company, which will continue to be listed on the JASDAQ market as a surviving company as a result of the Corporate Split and the Merger to be executed on April 1, 2008.

All of the current officers of the Target Company will be appointed as the officers of the Operating Subsidiary, which will become a wholly-owned subsidiary due to the Corporate Split, and the Company will appoint one person as a corporate auditor. All of the Company's officers and Messrs Keita Sato and Norio Hosoya, who are the Target Company's officers, will be appointed as the officers of the Holding Company.

The Holding Company will maintain the listing on the JASDAQ market even after the Corporate Split and the Merger, but the Holding Company is expected to be designated as a company subject to the "grace period for undergoing screening based upon the criteria similar to the new-listing screening criteria" on JASDAQ (the "**JASDAQ Grace Period**"). The timing of the designation under the JASDAQ Grace Period or the period of the JASDAQ Grace Period is not fixed as of the date of this press release, but the shares will be available for trading as usual even during the JASDAQ Grace Period and there will be no effects on the Holding Company's corporate activity. In addition, the Holding Company plans to immediately apply for the screening based upon the criteria similar to the new-listing screening criteria and strives to be promptly released from the designation under the JASDAQ Grace Period.

If the screening based upon the criteria similar to the new-listing screening criteria is not completed by the date the JASDAQ Grace Period ends, the Holding Company shares will be transferred to the monitoring post on the immediately following day, and the transfer will be publicly announced to our investors. The Company will, in cooperation with the Target Company, use its best efforts to meet the requirements of the screening based upon the screening based upon the criteria similar to the new-listing screening criteria within the JASDAQ Grace Period.

Further, although the Company will be extinguished as a result of the Merger, the Company will continue to consider maintaining its listing on the TSE by applying for the TSE's technical listings

system (see note below). The Company may reconsider and not apply for the technical listings system depending on the level of its satisfaction of the profit criterion or other criteria. In this case, the Company shares will be treated the same as the shares of an extinguishing company in a normal merger case, so the day five business days prior to the date of the Merger will be the last trading day of the Company shares and the Company will be delisted from the TSE on the day immediately following the date of the Merger, but the shareholders of the Company will be allotted the shares of the Holding Company expected to be listed on the JASDAQ market as a result of the Merger and the shareholders may continue their trading from and after the date of the Merger on the JASDAQ market using the shares of the Holding Company that were so allotted.

(Note) The technical listings system is a system that, where a listed issuer dissolves or is otherwise being extinguished as a result of a merger with a non-listed issuer, allows prompt listing of shares, etc. issued by the non-listed issuer by mainly examining the level of the non-listed issuer's conformity to the liquidity criteria prescribed in the delisting criteria for stocks. (Source: "Notice concerning Amendment to the Criteria for Listing Examination of Stocks or Other Criteria in accordance with the Enforcement of the Corporation Law with respect to More Flexible Handling of the Consideration for Merger, Etc."; June 28, 2007, Tokyo Stock Exchange)

Target Company is an equity-method affiliate of TOMY Co., Ltd.. And TOMY Co., Ltd., the largest shareholder of the Target Company, has agreed to accept the Tender Offer with respect to all of its holding of 1,198,000 shares or more in the Target Company (approximately 9.90% of the total number of issued and outstanding shares of the Target Company) prior to the Tender Offer.

#### Merger ratio

The Company requested the calculation of the merger ratio for the Merger be carried out by a third party appraiser, Nikko Cordial Securities Inc. ("**Nikko**"), and the Target Company requested a third party appraiser, ABeam M&A Consulting Ltd. ("**Abeam**"). It is agreed that, upon consultation between the companies on the results of those calculations, 0.695 ordinary shares of the Target Company will be allotted for each ordinary share of the Company.

However, the merger ratio was decided on the grounds that there have been no material changes to the business and financial conditions of the Company and the Target Company since the execution of the basic agreement other than the changes that occurred upon the Corporate Split, and the final merger ratio will be determined on the execution of the merger agreement, which is to be executed in

the latter half of January 2008.

The outline of the results of the calculation by the third party appraisers above is as follows.

In calculating the share price of the Company and the Target Company, Nikko reviewed the market price method, the discounted cash-flow method (the “**DCF Method**”) and the similar-listed-company comparative method. Consequently, because the estimated profits and other income of the Target Company showed a deficit, Nikko used the similar-listed-company comparative method only in order to make the determination of market price more reasonable, and it has definitively calculated the share price in accordance with the market price method and the DCF Method.

For the market price method, Nikko deemed September 21, 2007, to be the record date and adopted the 1 month and 3 months average closing prices. As a result, the merger ratio calculated by the market price method was 1:0.549 to 1:0.969.

For the DCF Method, Nikko calculated the present value of the shares by discounting the cash flows expected to be obtained in the future by the Company and the Target Company by a certain rate. Because the share price of the Target Company calculated by DCF Method was 0 yen, it was impossible to calculate the merger ratio using the DCF Method. However, the merger ratio determined by using the market price method for the Target Company and the DCF Method for the Company was 1:0.695 to 1:1.231.

In addition, in calculating the merger ratio, Nikko used information provided by the Company and the Target Company, information publicly disclosed, and financial, economic and market indicators, and the like. It did not conduct investigations, reviews, or the like by itself. The future business plans and financial projections of the Company and the Target Company are made on the grounds that they have been reasonably made upon the best projections and determinations of that time.

On the other hand, ABeam used the market price method, as the Company and the Target Company are listed companies, and referred to the similar-listed-company comparative method for the Company. In addition, with a view to undertaking multidimensional assessment, ABeam used the DCF method for the Company and the Target Company (or market net-asset-value method instead of the DCF method for the Company group’s businesses investing in listed shares, etc.) and analyzed and calculated the merger ratio.

ABeam calculated the present value of the shares of the Company using the similar-listed-company comparative method, but because there was no appropriate similar-listed-company for the Target Company, it did not use the similar-listed-company comparative method for the Target Company, and the value of the shares of the Company calculated by using the similar-listed-company comparative method was used as a reference for verifying other calculation methods. As a result, the merger ratio calculated by using the market price method was 1: 0.567 to 1:0.910, and the merger ratio calculated by using the DCF method was 1: 1.962 to 1:2.349.

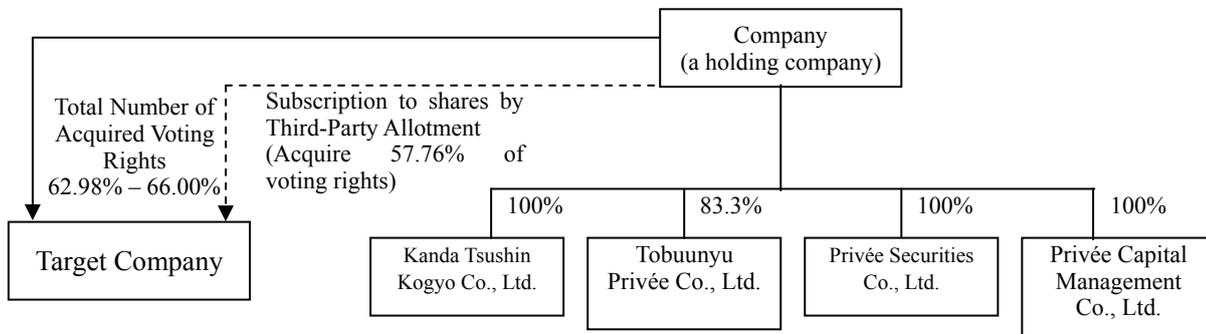
### Delisting

Because under the Tender Offer, the maximum number of shares to be purchased is fixed, the Target Company's shares are expected to continue to be listed on the JASDAQ market after the Tender Offer. However, as described above, the shares of the Holding Company will be listed as a result of the Corporate Split and the Merger to be scheduled after the Tender Offer.

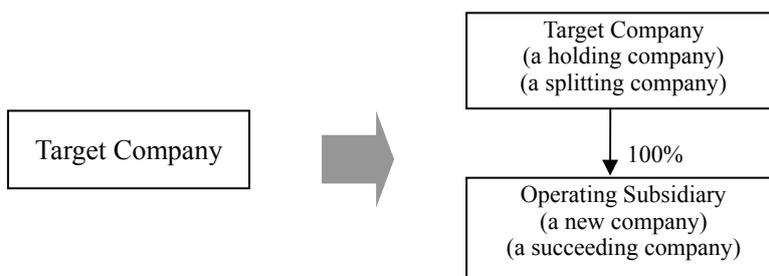
**Scheme Flow Chart:**

**1. Implementation of the Tender Offer and the Third-Party Allotment**

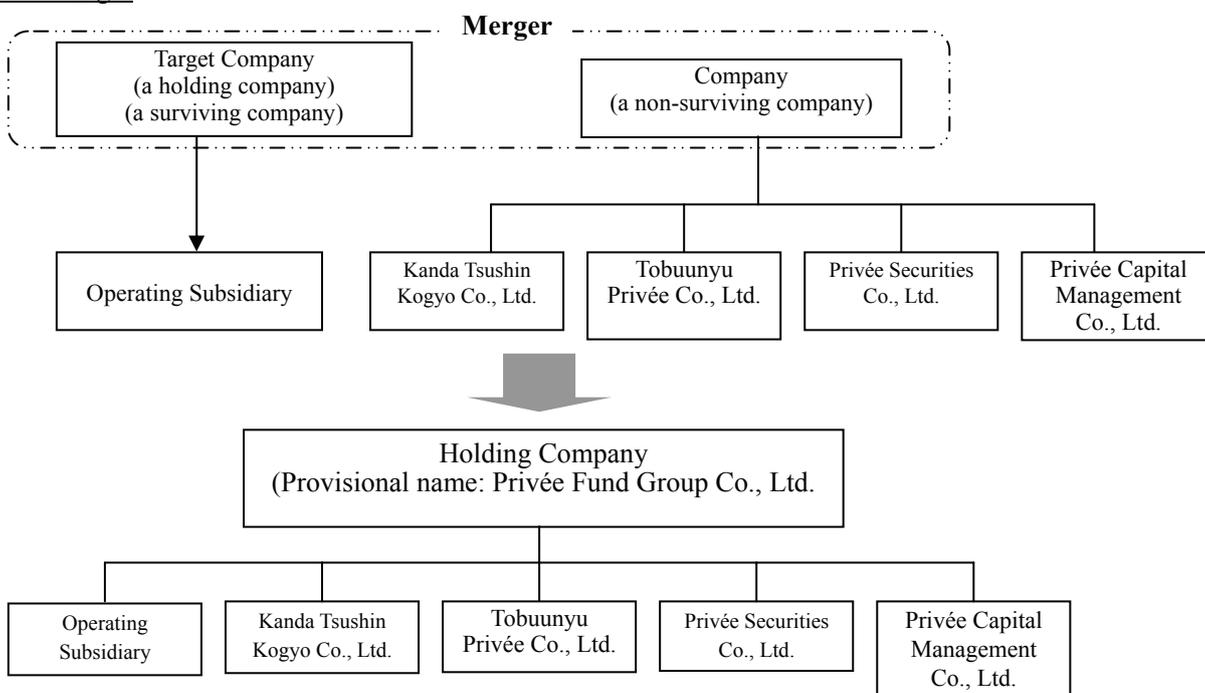
TOB (Acquire a minimum of 4.22% of total voting rights)



**2. Target Company will be a Holding Company**



**3. Merger**



(Note) The chart only includes material subsidiaries.

## 2. Schedule (Provisional)

Thursday, September 27, 2007	Approval of execution of the basic agreement and the memorandum of agreement, commencement of the tender offer, and resolution of subscription for Third-Party Allotment at the meeting of the board of directors Execution of the basic agreement and the memorandum of agreement
Friday, September 28, 2007	Public notice of commencement of the tender offer, and commencement of the tender offer period
Friday, October 26, 2007	Last day of the tender offer period
Saturday, October 27, 2007	Announcement of the result of the tender offer
Thursday, November 1, 2007	Commencement date of settlement of the tender offer Payment date for the Third-Party Allotment
Latter half of December 2007	Record date of an extraordinary general meeting of shareholders
Latter half of January 2008	Execution of a merger agreement
Latter half of February 2008	Extraordinary general meeting of shareholders approving the merger
Tuesday, April 1, 2008	Scheduled merger date (effective date)
Tuesday, April 1, 2008	Scheduled merger registration date

## 3. Outline of the Target Company

(1) Trade Name	e-Revolution Co., Ltd.
(2) Nature of Business	Sale of car goods, living goods, consumer electronics and outdoor sports products and goods
(3) Date of Incorporation	August 10, 1962
(4) Address of Head Office	2, Kanda Iwamotocho, Chiyoda-ku, Tokyo
(5) Title and Name of Representative	Ryoza Kubo, President and Representative Director
(6) Capital	1,136,085,000 yen (as of September 27, 2007)
(7) End of Business Year	March 31
(8) Number of Employees	102 employees on consolidated basis and 65 employees on non-consolidated basis (as of March 31, 2007)

(9) Main Offices	Osaka, Fukuoka, Nagoya and Kurami	
(10) Total Number of Outstanding Shares	12,104,000 shares (as of September 27, 2007)	
(11) Major Shareholders and Shareholding Ratio (as of March 31, 2007)	TOMY Company, Ltd.	14.35%
	Yugen Kaisha Dreams of D	8.15%
	Masami Ochiai	4.16%
	FPF Technology Capital Investment Partnership	3.76%
	System Service Co., Ltd.	3.76%
	Next Japan Company, Ltd.	3.76%
	Yugen Kaisha WISH	3.59%
	Masakuni Miyajima	2.45%
	The Master Trust Bank of Japan, Ltd. (Trust Unit)	2.24%
	Segatoys Co., Ltd.	1.88%
(12) Relationship of the Company and the Target Company	Capital Relationship	Not applicable
	Human Relationship	Not applicable
	Trade Relationship	Not applicable
	Applicability to Relevant Parties	Not applicable
(13) Business Development over the Most Recent Business Year	Business Year Ended March 31, 2006 (non-consolidated)	Business Year Ended March 31, 2007 (non-consolidated)
Sales	¥4,014,000,000	¥2,966,000,000
Gross Profits	¥1,145,000,000	¥893,000,000
Operating Profits	(¥161,000,000)	(¥654,000,000)
Current Net Profits	(¥182,000,000)	(¥669,000,000)
Income	(¥552,000,000)	(¥769,000,000)
Total Assets	¥2,497,000,000	¥2,139,000,000
Net Assets	¥1,106,000,000	¥591,000,000
Dividend per Share	—	—

*[Translator's Note: Amounts in parenthesis indicate negative.]*

#### 4. Summary of Tender Offer

- (1) Period of Offer
  - (i) Period of offer at the time of filing (the “**Tender Offer Period**”)  
From Friday, September 28, 2007 through Friday, October 26, 2007 (20 business days)
  - (ii) Possibility of extension of the Tender Offer Period at the request of the Target Company  
The Tender Offer Period will be extended until Friday, November 9, 2007, a period of 30 business days, if the Target Company submits an opinion statement report requesting the extension of the Tender Offer Period in accordance with Paragraph 3 of Article 27-10 of the Securities and Exchange Law (the “**Law**”).
- (2) Class of shares for Tender Offer: Ordinary shares
- (3) Offer price: 60 yen per share
- (4) Basis of calculation of offer price, etc.
  - (i) Basis of calculation  
60 yen per share of the offer price upon the Tender Offer (the “**Offer Price**”) was determined in reference to the share price calculation statement (the “**Calculation Statement**”) provided by Nikko, the Company’s financial advisor.

In calculating the share price of the Target Company, Nikko reviewed the market price method, the DCF Method and the similar-listed-company comparative method to determine the method to be applied for the calculation. Consequently, because the estimated profits and other income of the Target Company showed a deficit, Nikko was unable to refer the appraisal of the profitability index. Therefore, Nikko used the similar-listed-company comparative method only in order to make the determination of market price more reasonable, and it has definitively calculated the share price in accordance with the market price method and the DCF Method.

The share price of the Target Company indicated in the Calculation Statement is from 65 yen to 82 yen in accordance with the market price method, and is shown as 0 yen in accordance with the DCF Method because the share price being calculated based on the business plan prepared by the Target Company is a negative figure.

The Company determined the final Offer Price to be 60 yen in reference to the results of the calculation indicated in the Calculation Statement after considering the results of the accounting and legal due diligence performed by the Company with respect to the Target

Company, the finances of the Target Company (which have been enhanced by its subscribing for the Third-Party Allotment), the possibility of early realization of the Target Company's revitalization plan by the Company providing the Target Company with corporate revitalization know-how accumulated by the Company up to now, and other matters, and in the light of the results of negotiations and consultations with the Target Company on the Merger.

60 yen of the Offer Price is equal to the amount of the closing price on the business day (September 26, 2007) immediately prior to the day on which the commencement of the Tender Offer is resolved, and the average closing prices of the Target Company's shares on JASDAQ for 1 month and 3 months prior to such business day, equal to 3.45% of premium, 5.62% of discount and 26.19% of discount, respectively (the percentage is rounded to the nearest second decimal place).

(ii) Background of calculation

In or around June 2007, the Company was requested by the Target Company to participate in its management and provide financial support for the purpose of improving the corporate value of the Target Company and it started considering capital participation in or business collaboration with the Target Company.

As a result, in order to appropriately understand the current status of the management, business operation and other matters of the Target Company, and to smoothly support its corporate revitalization, the Company has determined that it is necessary for the Company, after causing the Target Company to be a group company of the Company and establishing a capital relationship with the Target Company as the Company has previously performed, to invest management resources held by the Company in the Target Company and to aim for improving the corporate value of the Target Company and the Company group with the officers and employees of the Target Company. Hence it has decided to implement the Tender Offer and has determined the Offer Price as follows.

(a) Third party appraiser from whom the Company received its opinion upon calculation

In determining the Offer Price of the Tender Offer, the Company requested Nikko, the Company's financial advisor, to calculate the share price of the Target Company in July 2007 and received the Calculation Statement from Nikko on September 26, 2007.

(b) Opinion of a third party appraiser

In calculating the share price of the Company and the Target Company, Nikko reviewed the market price method, the DCF Method and the similar-listed-company comparative method to determine the method to be applied for the calculation. Consequently, Nikko has definitively calculated the share price in accordance with the market price method and the DCF Method.

The share price of the Target Company indicated in the Calculation Statement is from 65 yen to 82 yen in accordance with the market price method or 0 yen in accordance with the DCF Method.

(c) Background of determination of Offer Price based on such opinion

The Company determined 60 yen of the final Offer Price at its meeting of the board of directors held on September 27, 2007 in reference to the result of calculation indicated in the Calculation Statement after considering the results of the accounting and legal due diligence performed by the Company with respect to the Target Company from June 27, 2007 through August 14, 2007, the details of revitalization support to the Target Company, and other matters, and in the light of the results of negotiations and consultations with the Target Company on the Merger.

(d) Measures to secure the fairness of the Offer Price and avoid conflicts of interest

The Target Company passed a resolution approving the Tender Offer at its meeting of the board of directors held on September 27, 2007, after acquiring and reviewing the share price calculation statement prepared by Abeam, which is a third party calculation institution independent of the Target Company, that is different from the calculation statement obtained by the Company. Also, Mr. Keita Sato, who is Chairman and Director of the Target Company, is a Vice-President and Director of TOMY Company, Ltd., which is the largest shareholder of the Target Company and agreed to offer 1,198,000 shares or more of the Target Company's shares through the Tender Offer, so at the aforementioned board of directors' meeting, Mr. Sato did not participate, as he was a special interested party in the resolution expressing support to the Tender Offer.

(iii) Relationship with a calculation institution: Not applicable.

(5) Number of shares to be purchased in the Tender Offer

Class of Shares	(1) Number of Shares to be Purchased	(2) Number of Shares to be Overpurchased
Ordinary Shares	1,198,000 shares	856,000 shares
Total	1,198,000 shares	856,000 shares

(Note 1) If the total number of shares tendered is less than the “Number of Shares to be Purchased” (1,198,000 shares; the “**Number of Shares to be Purchased**”), none of the tendered shares will be purchased. If the total number of shares tendered is more than the total (2,054,000 shares; the “**Total Number of Shares to be Purchased**”) of the Number of Shares to be Purchased and the “Number of Shares to be Overpurchased,” all or part of the excess of the shares tendered will not be purchased. The Company will delivery and make other settlements with respect to the purchase of shares pursuant to the pro rata method prescribed in Paragraph 5 of Article 27-13 of the Law and Article 32 of the Cabinet Ordinance with respect to the Disclosure of the Tender Offer by an Acquirer other than the Issuing Company (the “**Ordinance**”).

(Note 2) Shares less than one unit are also subject to the Tender Offer. However, share certificate is required to be submitted for applying. (Share certificates kept by the Japan Securities Depository Center Inc., JASDEC, through the Tender Offer Agent do not have to be submitted.)

(Note 3) It is possible that stock acquisition rights issued in accordance with the provisions of Articles 280-20 and 280-21 of the old Commercial Code amended in 2001 are exercised before the last day of Tender Offer Period, and the Target Company’s shares issued or transferred upon exercise of the stock acquisition rights are also subject to the Tender Offer.

(Note 4) No treasury share held by the Target Company will be purchased through the Tender Offer.

(6) Changes in the percentage of voting rights of shares and other securities resulting from the Tender Offer

Number of Voting Rights of Shares and Other Securities held by Acquirers before the Tender Offer	– rights	(Percentage of Voting Rights of Shares and Other Securities before Tender Offer – %)
--	----------	---

Number of Voting Rights of Shares and Other Securities to be Purchased	2,054 rights	(Percentage of Voting Rights of Shares and Other Securities after Tender Offer  17.56 %)
Total Number of Voting Rights of Shareholders of the Target Company	10,660 rights	

(Note 1) The “Number of Voting Rights of Shares and Other Securities to be Purchased” is the number of voting rights of 2,054,000 shares of the Total Number of Shares to be Purchased upon the Tender Offer.

(Note 2) The “Total Number of Voting Rights of Shareholders of the Target Company” is the total number of the voting rights of shareholders listed in the Securities Report of the Target Company for the business year ended March 31, 2007 (the 45th Term) (filed on June 27, 2007). However, because shares less than 1 unit are subject to the Tender Offer, the “Total Number Of Voting Rights of Shareholders of the Target Company” is counted as 11,698 voting rights, which is derived by deducting the 406 voting rights of treasury stock (406,687 shares listed in the Securities Report of the Target Company mentioned above) held by the Target Company that are not expected to be acquired upon the Tender Offer from the 12,104 voting rights corresponding to all of the Target Company’s 12,104,000 outstanding shares as of September 27, 2007 (as published by the Target Company on September 27, 2007), in order to calculate the “Percentage of Voting Rights of Shares and Other Securities before Tender Offer” and the “Percentage of Voting Rights of Shares and Other Securities after Tender Offer.”

(Note 3) In calculating the “Percentage of Voting Rights of Share Certificates and Other Securities before Tender Offer” and the “Percentage of Voting Rights of Share Certificates and Other Securities after Tender Offer,” the percentage shall be rounded to the nearest second decimal place.

(Note 4) The Target Company resolved to issue the shares (16,666,000 ordinary shares) by way of third-party allotment on November 1, 2007, which is the payment date, at its board of directors meeting held on September 27, 2007, and the Company will subscribe for all of the shares, subject to the consummation of the Tender Offer. As a result, the Company will hold a total of 18,720 voting rights of the Target Company, which is derived from the sum of (a) 2,054 voting rights of 2,054,000 shares, constituting the Total Number of Shares to be Purchased upon the Tender Offer, and (b) 16,666 voting rights to be acquired upon subscription for the shares described above, and the Company will become a parent company of the Target Company with 66.00% percentage of voting rights of shares and other securities.

(7) Purchase price: approximately 123 million yen

(Note) The purchase price described above is the Total Number of Shares to be Purchased (2,054,000 shares) multiplied by the offer price per share. Costs and expenses such as the fees to be paid to the Tender Offer Agent and printing costs for the public notice in respect of the Tender Offer and for printing the Tender Offer Explanation Statement and other necessary documents are not included.

(8) Method of settlement

(i) Name and address of head office of the securities companies, banks and other institutions that settle the Tender Offer:

Nikko Cordial Securities Inc.

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

(ii) Commencement date of settlement: Thursday, November 1, 2007

(Note) The commencement date will be on Thursday, November 15, 2007, if the Target Company submits an opinion statement report requesting the extension of the Tender Offer Period in accordance with the provisions of Paragraph 3 of Article 27-10 of the Law.

(iii) Method of settlement:

Notice of purchase by the Tender Offer will be mailed to the applying shareholders at their addresses (in the case of foreign shareholders, to the address of their standing proxies) without delay after the expiration of the Tender Offer Period. The purchase price of tendered shares will be paid in cash. Sales proceeds of the tendered shares will be transferred by Nikko Cordial Securities Inc. to the account designated by the applying shareholders (in the case of foreign shareholders, to the address of their standing proxies) without delay after the commencement date of settlement.

(9) Other conditions and method of purchase, etc.

(i) Conditions prescribed in items of Paragraph 4 of Article 27-13 of the Law and details thereof

If the total number of the shares tendered is less than the Number of Shares to be Purchased, none of the shares tendered will be purchased. If the total number of the shares tendered is more than the Total Number of Shares to be Purchased, all or part of such excess shares tendered will not be purchased. The Company will deliver or make other settlements with respect to the purchase of shares pursuant to the pro rata method prescribed in Paragraph 5 of Article 27-13 of the Law and Article 32 of the Ordinance (if the number of each share tendered include a share less than one unit, the maximum

number of shares to be purchased calculated pursuant to the pro rata method is the number of each share tendered).

If the total number of the shares to be purchased from each applying shareholder, in which the number of shares less than one unit as a result of calculation pursuant to the pro rata method is rounded to the nearest unit, is less than the Total Number of Shares to be Purchased, the Company will purchase one unit of the tendered shares from applying shareholders in descending order, beginning with shareholders that owned the most rounded-off shares until the total number of shares to be purchased is more than the Total Number of Shares to be Purchased (if additional purchase of one unit results in an excess of the number of the shares tendered, then until the total number of shares to be purchased is equal to the number of the shares tendered). However, if the number of shares purchased in such manner from all applying shareholders who own an equal number of shares when rounded off is more than the Total Number of Shares to be Purchased, the Company will select by lot shareholders who will perform the purchase from the applying shareholders to the extent that the total number of shares to be purchased would be no less than the Total Number of Shares to be Purchased.

If the total number of the shares to be purchased from each applying shareholder, in which the number of shares less than one unit as a result of calculation pursuant to the pro rata method is rounded to the nearest unit, is more than the Total Number of Shares to be Purchased, the Company will decrease by one unit the shares to be purchased from applying shareholders in descending order, beginning with shareholders that owned the most rounded-up shares until the total number of shares to be purchased is no less than the Total Number of Shares to be Purchased (if the number of shares to be purchased calculated pursuant to the pro rata method includes the number of shares less than one unit, then until the total number of shares to be purchased is equal to the number of shares less than one unit). However, if the number of shares decreased in such manner by all applying shareholders who own the equal number of shares that were rounded up is less than the Total Number of Shares to be Purchased, the Company will select by lot shareholders who decrease the number of shares to be purchased from the applying shareholders to the extent that the total number of shares to be purchased would be no less than the Total Number of Shares to be Purchased.

- (ii) Conditions of withdrawal, etc. of the Tender Offer, details thereof and method of disclosure of withdrawal, etc.

If any of the events prescribed in (i) through (ix) and (xii) through (xviii) of Item 1, Item 2, (i) through (viii) of Item 3 and Item 5 of Paragraph 1 of Article 14, and Items 3 through 6 of Paragraph 2 of Article 14 of the Enforcement Order of the Securities and Exchange Law (the “**Enforcement Order**”), the Company may withdraw the Tender Offer.

In the case of the withdrawal of the Tender Offer, the Company will give public notice electronically and such notice will be displayed in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the end of the Tender Offer Period, the Company will make a public announcement in a manner prescribed in Article 20 of the Ordinance and give public notice immediately after such announcement.

- (iii) Conditions of decrease of the price for purchase, etc., details thereof and method of disclosure of decrease

If the Target Company conducts any of the acts prescribed in Paragraph 1 of Article 13 of the Enforcement Order in accordance with the provisions of Item 1 of Paragraph 1 of Article 27-6 of the Law during the Tender Offer Period, the Company will decrease the price for purchase in accordance with the standards prescribed in Article 19 of the Ordinance.

In the case of the decrease, the Company will give public notice electronically and such notice will be displayed in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the end of the Tender Offer Period, the Company will make a public announcement in a manner prescribed in Article 20 of the Ordinance and give public notice immediately after such announcement.

- (iv) Matters concerning applying shareholders’ right of cancellation of contracts

Any applying shareholder may cancel their contract for the Tender Offer at any time during the Tender Offer Period.

If an applying shareholder wishes to cancel the contract for the Tender Offer, it must deliver, or send by mail, a written notice indicating the intention to terminate the contract (the “**Cancellation Notice**”) to Nikko Cordial Securities Inc. no later 3:00 p.m. on the last day of the Tender Offer Period. However, in the case of the delivery by mail, the

Cancellation Notice is required to be reached at Nikko Cordial Securities Inc. no later than 3:00 p.m. on the last day of the Tender Offer Period.

No claim for indemnification or penalty payment will be made by the acquiror if the contract is canceled by the applying shareholder. The cost of returning share certificates held in custody by acquiror will be borne by the acquiror.

(v) Method of disclosure if the terms and conditions of purchase, etc. are changed

Except as prohibited under Article 27-6 of the Law and Article 13 of the Enforcement Order, the acquiror may change the terms and conditions of the Tender Offer during the Tender Offer Period. In the case of the change in the terms and conditions of the Tender Offer, the Company will give public notice electronically and such notice will be displayed in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the end of the Tender Offer Period, the Company will make a public announcement in a manner prescribed in Article 20 of the Ordinance and give public notice immediately after such announcement. The purchase of the shares tendered prior to such notice will also be made in accordance with the terms and conditions so changed.

(vi) Method of disclosure if amendment statement is filed

If an amendment statement is filed with the Director of the Kanto Local Financial Bureau, the acquiror will forthwith make a public announcement of the contents thereof that are relevant to the contents of the public notice of Tender Offer, in accordance with the manner set forth in Article 20 of the Ordinance. The acquiror will also forthwith amend the Tender Offer Explanation Statement and provide the amended Tender Offer Explanation Statement to the applying shareholders who have received the former Tender Offer Explanation Statement.

If the amendments are made only to a limited extent, the acquiror may, instead of providing an amended Tender Offer Explanation Statement, prepare and deliver a document stating the reason for the amendments, the matters having been amended and the details thereof.

(vii) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be published in a manner prescribed in Article 9-4 of the Enforcement Order and Article 30-2 of the Ordinance on the day immediately following the last day of the Tender Offer Period.

(viii) Others

The Tender Offer is not being made and will not be made directly or indirectly in or to the United States of America, or by use of the postal services of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America. This includes, but is not limited to, telex, facsimile transmission, electric mail, the Internet, telex and telephone. Accordingly, no person may accept the Tender Offer in any way set out above or through any facility set out above, from the United States of America.

No Tender Offer Registration Statement or other relevant tender offer documents will be made and none will be made in, to or from the United States of America by use of the postal services thereof or by any other means. Accordingly, no application of the Tender Offer that directly or indirectly breaches restrictions set out above may be accepted.

Each person who applies for this Tender Offer is required to represent and warrant the following: the applicant was not residing in the United States of America at the time of application or delivery of the Tender Offer Application; the applicant did not obtain or send the information regarding the Tender Offer or documents about the purchase in, to or from the U.S.; in purchasing or signing or executing the Tender Offer Application, the applicant did not use, directly or indirectly, the U.S. postal service or methods or means of interstate or international transactions (including, but not limited to, facsimile transmission, electric mail, the Internet, telex and telephone), or any stock exchange institutes in the U.S.; and the applicant is not acting as an agent, a trustee or a mandatory of another person, without the rights to act in his own discretion (except for cases where such other person made all instructions about the purchase outside the U.S.).

- (10) Date of Announcement of Commencing the Tender Offer: Friday, September 28, 2007
- (11) Tender Offer Agent: Nikko Cordial Securities Inc.
- (12) Agreement between Acquiror and the Target Company or its directors or officers, and the

contents thereof

The Target Company has, at its board of directors meeting held on September 27, 2007, resolved to support the Tender Offer. It should be noted that Mr. Keita Sato did not participate in the resolution of expressing the Target Company's support of the Tender Offer at that board of directors meeting as he was regarded as a special interested party because he currently holds the office of the vice president and director of TOMY Company, Ltd., which is the largest shareholder of the Target Company and has agreed to accept the Tender Offer as to 1,198,000 shares or more of the Target Company's shares it holds.

The Company and the Target Company has, as a step toward the corporate revitalization of the Target Company, entered into a basic agreement and a memorandum of agreement, the substance of which is set out below, on September 27, 2007, including the Merger scheduled for April 1, 2008:

- (i) The Company and the Target Company are to undertake the Tender Offer;
- (ii) The Company and the Target Company are to implement the Third-Party Allotment; in addition, the Target Company is to repay part or all of money it has borrowed from any lender immediately after the payment date of the Third-Party Allotment and, immediately thereafter, the Company is to make a loan in the amount equal to the repaid amount to the Target Company on the same terms.
- (iii) The Company and the Target Company are to execute the Corporate Split, which is to be effective as of April 1, 2008, after the completion of the Tender Offer and the Third-Party Allotment, and they are to elect one corporate auditor nominated by the Company to be a corporate auditor of the Operating Subsidiary.
- (iv) The Company and the Target Company are to execute the Merger in which the merger ratio of 0.695 for the Company to 1 for the Holding Company, conditional upon the Corporate Split becoming effective, and they are to allot 0.695 shares of the Holding Company to each share held by the shareholders of the Company; however, a condition of this merger ratio is that there is no material change (other than a change resulting from the Corporate Split) in the business and financial conditions of the Company and the Target Company from and after the date of the basic agreement;
- (v) The Company and the Target Company are to cause one corporate auditor

nominated by the Company to accept the office of corporate auditor at the extraordinary shareholders' meeting of the Target Company to be held for obtaining shareholders' approval on the Merger;

- (vi) The Company and the Target Company are not to send a director (except for the corporate auditor set out in (iii) above) to the Operating Subsidiary, unless required by the Operating Subsidiary;
  - (vii) The Company is to subscribe to all of the shares to be issued for a capital increase by third-party allotment (the number of shares subject to subscription is 2,000 shares and the total amount to be paid is 100,000,000 yen) around the mid of October 2007, which is the payment date, by SEEBOX Co., Ltd., a company in which the Target Company's subsidiary invests, and the Target Company or that subsidiary is to purchase all of the shares so issued and subscribed to from the Company at the amount of 100,000,000 yen on the business day immediately following the day the Third-Party Allotment is completed;
  - (viii) The Company and its affiliates are to thoroughly examine the synergy effect of the Merger in the businesses such as the car-life business of the Target Company and the video streaming service business of a company in which the Target Company's subsidiary invests and provide their best business cooperation thereto;
  - (ix) The Holding Company is to aim for the enhancement of the Operating Subsidiary's corporate value and to respect the intent of the Operating Subsidiary's management with respect to its future business development within the Holding Company group and its corporate strategy such as its positioning in the future within the group; and
  - (x) If the Holding Company at a future date intends to transfer part or all of the Operating Subsidiary's shares to a third party, the Holding Company is to first consider transferring the shares to a company desired by the Operating Subsidiary's management or effecting a management buyout by the Operating Subsidiary's management.
- (13) Other information deemed necessary for investors to determine whether they should accept the Tender Offer, etc.
- (i) The Target Company has passed a resolution in its board of directors' meeting held on September 27, 2007 with regard to the issuance of the shares being offered (16,666,000 ordinary shares) by third-party allotment to the Company.
    - (1) Number of Shares being Offered: 16,666,000 shares

- (2) Exercise Price: 60 yen per share
- (3) Payment Date: November 1, 2007
- (ii) On June 28, 2007, the Target Company submitted an extraordinary report on an event that is likely to significantly affect the financial conditions and results of operation of the Target Company and its consolidated companies as a result of the Target Company's passing a resolution to transfer a portion of the shares of Plusminuszero Co., Ltd. ("**Plusminuszero**"), its consolidated subsidiary, to Revamp.
  - (1) Date of Occurrence of the Event
    - June 28, 2007
  - (2) Outline of the Event
    - (I) Company Name, Address, Representative of the Consolidated Subsidiary
      - Company name: Plusminuszero Co., Ltd.
      - Address: 5-10-13, Minami Aoyama, Minato-ku, Tokyo
      - Representative: Tomohiko Hirano  
President & Representative Director
    - (II) Company Name, Address, Representative of the Transferee
      - Company name: Revamp Corporation
      - Address: 2-26-37, Minami Aoyama, Minato-ku, Tokyo
      - Representative: Takashi Sawada, Genichi Tamatsuka, Hiroshi Hamada  
Managing Partners
    - (III) Number of Shares to be Transferred, Number of Shares Owned, and Purchase Price
      - Number of shares owned prior to transfer:  
25,600 shares
      - Number of shares to be transferred:  
1,000 shares
      - Purchase price: 21,000,000 yen
    - (IV) Reason for Transfer
      - The Target Company and the Target Company group have entered into a service agreement with Revamp regarding assistance in Revamp's management reforms with an aim of restructuring their management system, and in order to accelerate the growth rate of Plusminuszero (a subsidiary of the Target Company) they have decided to receive further support from Revamp as well as to transfer a portion of the

shares of Plusminuszero owned by the Target Company to Revamp as part of their capital policy.

(3) Influence on Amount of Profit or Loss due to the Event

As a result of the event, the Target Company plans to account for 20,000,000 yen of capital gains as extraordinary profits from the sale of a subsidiary's shares in the non-consolidated or consolidated accounts to be prepared for the business year ending March 31, 2008.

(iii) On July 11, 2007, the Target Company submitted an extraordinary report on an event that is likely to significantly affect the financial conditions and results of operation of its consolidated companies as a result of its specific subsidiary, Plusminuszero, passing a resolution to make a third party allotment of its shares, the payment date of which was on July 31, 2007, at its board of directors' meeting held on July 11, 2007.

(1) Date of Occurrence of the Event

July 31, 2007

(2) Outline of the Event

The shareholding ratio of the Target Company in Plusminuszero was decreased as a result of the third-party allotment by Plusminuszero. Consequently, the Target Company decided to account for a constructive gain on change in shareholding in its consolidated accounts.

(3) Influence on Amount of Profit or Loss due to the Event

As a result of the event, the Target Company plans to account for 246,000,000 yen as extraordinary profits in the non-consolidated or consolidated accounts to be prepared for the business year ending March 31, 2008.

(iv) On September 27, 2007, the Target Company submitted an extraordinary report on an event that is likely to significantly affect the financial conditions and results of operation of the Target Company and its consolidated companies

(1) Date of Occurrence of the Event

September 27, 2007 (resolution of the board of directors of the Target Company)

(2) Outline of the Event

The Target Company has resolved to account for, in its non-consolidated interim accounts:

(I) as extraordinary profits, 70,000,000 yen of returns from reserve for credit losses and 22,000,000 yen of returns from allowance for loan guarantee, due to a re-valuation based on the original cost (*araike*);

(II) as extraordinary losses, 26,000,000 yen of due diligence expenses in

connection with the merger with the Company, 33,000,000 yen of losses from depletion of fixed assets, and 154,000,000 yen of transfers to reserve for losses of investments in its consolidated subsidiary (i.e., takaraindex eR lab. co., Ltd.); and

in its non-consolidated accounts:

(III) as extraordinary profits, 30,000,000 yen of returns from reserve for credit losses due to a re-valuation based on the original cost (*araikae*).

Further, the Target Company has resolved to account for, in its consolidated interim accounts

(I) as extraordinary losses, 98,000,000 yen of transfers to reserve for losses of investments in its consolidated subsidiary (i.e., takaraindex eR lab. co., Ltd.); and

in its consolidated accounts:

(II) as extraordinary profits, 12,000,000 yen of gains on change in shareholding of an equity-method affiliates (i.e., DideoNET-JAPAN Co., Ltd.) of the Target Company's consolidated subsidiary (i.e., takaraindex eR lab. co., Ltd.).

(3) Influence on Amount of Profit or Loss due to the Event

As a result of the event, the Target Company plans to account for the following amounts as extraordinary profits and losses in the interim accounts (both on non-consolidated and consolidated basis) to be prepared for the period ending September 2007 and the accounts (both on non-consolidated and consolidated basis) to be prepared for the business year ending March 31, 2008.

(I) Interim Non-consolidated Accounts

Extraordinary profits:	92,000,000 yen
Extraordinary losses:	213,000,000 yen

(II) Interim Consolidated Accounts

Extraordinary profits:	56,000,000 yen
Extraordinary losses:	157,000,000 yen

(III) Non-consolidated Accounts

Extraordinary profits:	122,000,000 yen
Extraordinary losses:	213,000,000 yen

(IV) Consolidated Accounts

Extraordinary profits:	98,000,000 yen
Extraordinary losses:	157,000,000 yen

(v) The Target Company provided at the JASDAQ market the "Notice concerning the

occurrence of extraordinary profits and extraordinary losses and the revision on earnings estimate” on September 27, 2007 and the “financial and business conditions of the first quarter of the period ending March 2008” on August 10, 2007. The Target Company’s earnings estimate of the same period and the profits and losses of the first quarter after the announcement are as set out below. It should be noted that their numbers are not audited by an auditing firm as required under Article 193-2 of the Law. In addition, the Company is not in the position of examining the accuracy or truth of the following announced data and thus has not made any such examination.

(1) Revisions of Interim Earnings Estimation for Period Ending March 2008

(I) Revision of Consolidated Interim Earnings Estimation (from April 1, 2007 to September 30, 2007)

	Sales	Operating Profits	Current Profits	Current Net Income
Previous Estimation (A) (in million yen)	2,570	(150)	(105)	230
This-time Estimation (B) (in million yen)	2,450	(380)	(370)	(40)
Increase or Decrease in Amount (B-A) (in million yen)	(120)	(230)	(265)	(270)
Increase or Decrease Ratio (%)	(4.7)	—	—	—

(Note) There is no data available for the period ended March 31, 2006 because the last date of that period was also the date the Target Company gained control over its consolidated subsidiary and only the balance sheet among the financial statement is prepared in consolidated basis.

*[Translator’s Note: Amounts in parenthesis indicate negative.]*

(II) Revision of Non-consolidated Interim Earnings (from April 1, 2007 to September 30, 2007)

	Sales	Operating Profits	Current Profits	Current Net Income
Previous Estimation (A) (in million yen)	1,570	40	35	48
This-time Estimation (B) (in million yen)	1,510	(160)	(160)	(265)

Increase or Decrease in Amount (B-A) (in million yen)	(60)	(200)	(195)	(313)
Increase or Decrease Ratio (%)	(3.8)	—	—	●

(2) Revisions of Full-year Earnings Estimation for Period Ending March 2008

(I) Revision of Consolidated Full-year Earnings Estimation (from April 1, 2007 to March 31, 2008)

	Sales	Operating Profits	Current Profits	Current Net Income
Previous Estimation (A) (in million yen)	5,000	(180)	(10)	330
This-time Estimation (B) (in million yen)	4,850	(470)	(370)	18
Increase or Decrease in Amount (B-A) (in million yen)	(150)	(290)	(360)	(312)
Increase or Decrease Ratio (%)	(3.0)	—	—	(94.5)

*[Translator's Note: Amounts in parenthesis indicate negative.]*

(II) Revision of Non-consolidated Full-year Earnings (from April 1, 2007 to March 31, 2008)

	Sales	Operating Profits	Current Profits	Current Net Income
Previous Estimation (A) (in million yen)	3,100	28	28	41
This-time Estimation (B) (in million yen)	3,060	(270)	(270)	(345)
Increase or Decrease in Amount (B-A) (in million yen)	(40)	(298)	(298)	(386)
Increase or Decrease Ratio (%)	(1.3)	—	—	—

(3) Consolidated Business Results for First Quarter of Period Ending March 2008  
(from April 1, 2007 to June 30, 2007)

Sales (in million yen)	1,270
Operating Profits (in million yen)	(172)
Current Profits (in million yen)	(167)
Quarterly Net Income (in million yen)	(57)
Quarterly Net Income Per Share (in yen)	(5.17)
Quarterly Net Asset Per Share (in yen)	49.84

[Translator's Note: Amounts in parenthesis indicate negative.]

**5. Summary of Subscription by Third-Party-Allotment**

(1) Number of shares owned before the Third Party Allotment 0 shares (Percentage 0.00%)

(Number of voting rights 0)

(2) Number of Shares to be subscribed 16,666,000 shares (Purchase price 999,960,000yen)

(Number of voting rights 16,666)

(3) Number of shares to be owned after the Third-Party-Allotment 18,720,000 shares (Percentage 66.00%)

(Number of voting rights 18,720)

(Note) "Number of shares to be owned after the Third-Party-Allotment" includes the Total Number of Shares to be Purchased by the Tender Offer (2,054,000 shares).

**6. Summary of Merger**

(1) Merger method

The Target Company, as the company to be split, will carry out a incorporation-type corporate split (*shinsetsu bunkatsu*) through which its business will be succeeded to by a company to be newly established, and the succeeding company will allot all shares to be issued upon its establishment to the Target Company as the holding company. Thereafter, the Company will be dissolved through an absorption-type merger in which the Target Company will be the succeeding company.

(2) Merger ratio

Company name	Surviving Company (e-Revolution Co., Ltd.)	Company to be extinguished (Privée Investment Holding Co., Ltd.)
Merger ratio	1	0.695

(Note 1) Share allotment ratio:

0.695 shares of the Target Company will be allotted for each share of the Company.

(Note 2) Number of new shares, etc. of the Target Company to be issued upon the merger: 336,363,516 ordinary shares (provisional)

(3) Basis, etc. for calculating merger ratio

(i) Basis of calculation

The Company requested the calculation of the merger ratio for the Merger be carried out by a third party appraiser, Nikko, and the Target Company requested a third party appraiser, Abeam. It is agreed that, upon consultation between the companies on the result of those calculations, 0.695 ordinary shares of the Target Company will be allotted for each ordinary share of the Company.

However, the merger ratio was decided on the grounds that there have been no material changes to the business and financial conditions of the Company and the Target Company since the execution of the basic agreement other than the changes that occurred upon the Corporate Split, and the final merger ratio will be determined on the execution of the merger agreement, which is to be executed in the latter half of January 2008.

(ii) Details of calculation

In calculating the share price of the Company and the Target Company, Nikko reviewed the market price method, the DCF Method and the similar-listed-company comparative method. Consequently, because the estimated profits and other income of the Target Company showed a deficit, Nikko was unable to refer the appraisal of the profitability index. Therefore, Nikko used the similar-listed-company comparative method only in order to make the determination of market price more reasonable, and it has definitively calculated the share price in accordance with the market price method and the DCF Method.

For the market price method, Nikko deemed September 21, 2007, to be the record date and adopted the 1 month and 3 months average closing prices. As a result, the merger ratio calculated by the market price method was 1:0.549 to 1:0.969.

For the DCF Method, Nikko calculated the present value of the shares by discounting the cash flows expected to be obtained in the future by the Company and the Target Company by a certain rate. Because the share price of the Target Company calculated by DCF Method was 0 yen, it was impossible to calculate the merger ratio using the DCF method. However, the merger ratio determined by using the market price method for the Target Company and DCF Method for the Company was 1:0.695 to 1:1.231.

The outline of the merger ratio calculated by Nikko is as follows:

Calculation method		Merger ratio
Market price method		1:0.549 to 1:0.969
DCF Method		—
Market price method and DCF Method	Market price method for the Target Company (1 month average): DCF Method for the Company	1:0.877 to 1:1.231
	Market price method for the Target Company (3 month average): DCF Method for the Company	1:0.695 to 1:0.976

In addition, in calculating the merger ratio, Nikko used information provided by the Company and the Target Company, information publicly disclosed, and financial, economic and market indicators, and the like. It did not conduct investigations, reviews, or the like by itself. The future business plans and financial projections of the Company and the Target Company are made on the grounds that they have been reasonably made upon the best projections and determinations of that time.

On the other hand, Abeam used the market price method, after carefully considering the calculation method for the Merger, because the Company and the Target Company were listed companies, and it referred to the similar-listed-company comparative method for the Company. In addition, with a view to undertaking multidimensional assessment, ABeam used the DCF method for the Company and the Target Company (or market net-asset-value method instead of the DCF method for the Company's businesses investing in listed shares, etc.) and analyzed and calculated the merger ratio.

ABeam calculated the present value of the shares of the Company using the similar-listed-company comparative method, but because there was no appropriate similar-listed-company for the Target Company, it did not use the similar-listed-company comparative method for the Target Company, and the value of the shares of the Company calculated by using the similar-listed-company comparative method was used as a reference for verifying other calculation methods.

For the market price method, ABeam deemed September 26, 2007, to be the record date and adopted the 1 month and 3 months average closing prices and VWAP (Volume Weighted Average Price). As a result, the merger ratio calculated by using the market price method was 1:0.567 to 1:0.910.

As to the DCF Method, ABeam calculated the present value of the shares of the Target Company by discounting the cash flows expected to be obtained by it in the future by a certain rate. For the Company, ABeam used the DCF method for the logistics businesses and the business related to industrial equipments over which the Company has control, but used the market net-asset-value method with the market value of each listed share for the businesses investing in listed shares, etc. in which the Company conducts minor investments with no purpose of obtaining control. The merger ratio calculated by using the DCF method was 1:1.962 to 1:2.349.

The outline of the merger ratio calculated by ABeam is as follows:

Calculation method	Merger ratio
Market price method	1:0.567 to 1:0.910
DCF Method	1:1.962 to 1:2.349

In addition, in calculating the merger ratio, ABeam used information provided by the Company and the Target Company, information publicly disclosed, and financial, economic and market indicators, and the like. It did not conduct investigations, reviews, or the like by itself. The future business plans and financial projections of the Company and the Target Company are made on the grounds that they have been reasonably made upon the best projections and determinations of that time.

(iii) Relationships with appraisers

Not applicable

- (4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the company to be extinguished.

Both companies will consult and determine the details.

- (5) Outline of the companies to be merged

	Surviving Company (Note 1)	Company to be extinguished																				
(1) Trade Name	e-Revolution Co., Ltd.	Privée Investment Holdings Co., Ltd.																				
(2) Nature of Business	Sale of car goods, living goods, consumer electronics and outdoor sports products and goods	Holding company																				
(3) Date of Incorporation	August 10, 1962	August 29, 2003																				
(4) Address of Head Office	2, Kanda Iwamotocho, Chiyoda-ku, Tokyo	3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo																				
(5) Title and Name of Representative	Ryozo Kubo, President and Representative Director	Kenzo Matsumura, CEO																				
(6) Capital	1,136 million yen (as of September 27, 2007)	16,865 million yen (as of March 31, 2007)																				
(7) Number of Outstanding Shares	12,104,000 shares (as of September 27, 2007)	483,976,283 shares (as of March 31, 2007)																				
(8) Net Assets	638,000,000 yen (consolidated and as of March 31, 2007)	36,097,000,000 yen (consolidated and as of March 31, 2007)																				
(9) Total Assets	3,108,000,000 yen (consolidated and as of March 31, 2007)	97,270,000,000 yen (consolidated and as of March 31, 2007)																				
(10) End of Business Year	March 31	March 31																				
(11) Number of Employees	102 employees on consolidated basis and 65 employees on non-consolidated basis (as of March 31, 2007)	667 employees on consolidated basis and 31 employees on non-consolidated basis (as of March 31, 2007)																				
(12) Main Customers	Yellow Hat Ltd. Empire Motor Co., Ltd. Cores International, Inc.	—																				
(13) Major Shareholders and Shareholding Ratio (as of March 31, 2007)	<table border="0"> <tr> <td>TOMY Company, Ltd.</td> <td>14.35%</td> </tr> <tr> <td>Yugen Kaisha Dreams of D</td> <td>8.15%</td> </tr> <tr> <td>Masami Ochiai</td> <td>4.16%</td> </tr> <tr> <td>FPF Technology Capital Investment Partnership</td> <td>3.76%</td> </tr> <tr> <td>System Service Co., Ltd.</td> <td>3.76%</td> </tr> </table>	TOMY Company, Ltd.	14.35%	Yugen Kaisha Dreams of D	8.15%	Masami Ochiai	4.16%	FPF Technology Capital Investment Partnership	3.76%	System Service Co., Ltd.	3.76%	<table border="0"> <tr> <td>Kenzo Investment Co., Ltd.</td> <td>16.56%</td> </tr> <tr> <td>Kenzo Asset Management Co., Ltd.</td> <td>15.19%</td> </tr> <tr> <td>Bank of New York Europe Limited 131705</td> <td>3.14%</td> </tr> <tr> <td>Morgan Stanley and Company Inc.</td> <td>1.15%</td> </tr> <tr> <td>Sajap</td> <td>1.00%</td> </tr> </table>	Kenzo Investment Co., Ltd.	16.56%	Kenzo Asset Management Co., Ltd.	15.19%	Bank of New York Europe Limited 131705	3.14%	Morgan Stanley and Company Inc.	1.15%	Sajap	1.00%
TOMY Company, Ltd.	14.35%																					
Yugen Kaisha Dreams of D	8.15%																					
Masami Ochiai	4.16%																					
FPF Technology Capital Investment Partnership	3.76%																					
System Service Co., Ltd.	3.76%																					
Kenzo Investment Co., Ltd.	16.56%																					
Kenzo Asset Management Co., Ltd.	15.19%																					
Bank of New York Europe Limited 131705	3.14%																					
Morgan Stanley and Company Inc.	1.15%																					
Sajap	1.00%																					

	Next Japan Company, Ltd. Yugen Kaisha WISH	3.76% 3.59%	Japan Securities Finance Co., Ltd. Daiwa Securities Co., Ltd.	0.78% 0.50%
	Masakuni Miyajima	2.45%	Okasan Securities Co., Ltd.	0.39%
	The Master Trust Bank of Japan, Ltd. (Trust Unit)	2.24%	State Street Bank and Trust Company 505211	0.34%
	Segatoys Co., Ltd.	1.88%	Deutsche Bank AG London PB Firm Account 614	0.32%
(14) Main Banks	Mizuho Bank, Ltd. Resona Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation		Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Limited The Sumitomo Trust and Banking Co., Ltd.	

(15) Relationship between the parties

(i) Capital Relationship	Not applicable as of the date of this press release. However, the Company will become a parent company of the Target Company holding 18,720,000 shares upon the execution of the Tender Offer and the Third-Party Allotment.
(ii) Human Relationship	Not applicable as of the date of this press release.
(iii) Trade Relationship	Not applicable as of the date of this press release.
(iv) Applicability to Relevant Parties	Not applicable as of the date of this press release.

(16) Business performance over the last 3 years (Consolidated basis)

	Surviving Company			Company to be extinguished		
	FY March 2005 (Note 2)	FY March 2006 (Note 3)	FY March 2007	FY March 2005	FY March 2006	FY March 2007
Sales (million yen)	3,632	4,014	5,139	77,140	72,547	37,892
Operating Profits (million yen)	42	(161)	(917)	5,912	8,536	(2,394)
Current Profits (million yen)	45	(182)	(1,021)	6,198	8,386	(2,686)
Current Net Income (million yen)	46	(552)	(929)	2,845	2,289	(2,466)

Current Net Income per Share (yen)	7.14	(81.75)	(101.22)	7.98	4.70	(5.10)
Dividend per Share (yen)	—	—	—	—	1.00	1.00
Net Asset per Share (yen)	172.40	139.45	50.1	16.14	79.87	73.79

[Translator's Note: Amounts in parenthesis indicate negative.]

(Note 1) The business results of the surviving company, e-Revolution Co., Ltd., are as of before the corporate split, as there are no business results after the corporate split.

(Note 2) The values of the surviving company for the business year ended March 31, 2005, are determined on a non-consolidated basis, as there was no consolidated subsidiary and thus no consolidated financial statement.

(Note 3) The values except for the “net asset per share” of the surviving company for the business year ended March 31, 2006, are determined on a non-consolidated basis, as there was no consolidated financial statement and only the balance sheet was consolidated because the end of the business year (March 31, 2006) was regarded as the date control of the consolidated subsidiary was obtained.

## 7. Status after merger (scheduled)

(1) Trade Name	Privée Fund Group Co., Ltd.
(2) Nature of Business	Holding company
(3) Address of Head Office	3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo
(4) Title and Name of Representative	Kenzo Matsumura, CEO
(5) Capital	To be determined
(6) Net Assets (Consolidated)	The effect of the Merger on the net assets is under investigation.
(7) Total Assets (Consolidated)	The effect of the Merger on the total assets is under investigation.
(8) End of Business Year	March
(9) Summary of Accounting Treatment	Because the Target Company will become a subsidiary of the Company due to the Tender Offer and subscription for the Third-Party Allotment prior to the Merger, the Merger is the absorption-type-merger ( <i>kyushu gappei</i> ) in which a subsidiary absorbs a parent company. Therefore, the Merger falls under the “transaction under common control” under the accounting standards for business combinations.

**8. Outlook for the effects of this transaction on the business performance**

Both companies will discuss the outlook for business and the others after the merger and give notice of their outlook as soon as it is determined.

This English translation has been prepared for general reference purposes. The Company is not responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated as of September 27, 2007.