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Corporate Name: CCH5 Co., Ltd.  
Name of Representative: Haruo Kawamura,  
Representative Director  
Inquiries: Nobukazu Sawamura, Director  
CAS Capital, Inc.  
Telephone: 03-3556-5990

### **Announcement Concerning Commencement of Tender Offer for Shares, etc. in MARKTEC Corporation**

CCH5 Co., Ltd. (the “Offeror”) hereby announces that it has decided to acquire all the outstanding shares of common stock and stock acquisition rights in MARKTEC Corporation (stock code: 4954, Osaka Securities Exchange Co., Ltd. (“JASDAQ”)) (the “Target Company”) through a tender offer (the “Tender Offer”) as follows.

#### **1. Purpose of Tender Offer, etc.**

##### **(1) Outline of the Tender Offer**

The Offeror is a Japanese corporation (*kabushiki kaisha*) as of the date of this press release whose outstanding shares are held entirely by CAS Capital Fund V, a limited partnership for investment under the Limited Partnership Act for Investment of Japan (“CCF5”), which is administered and managed by CCP5 Co. Ltd., a company invested in by CAS Capital, Inc. (“CAS Capital”). The Offeror was established primarily for the purpose of acquiring and holding shares of common stock and other securities of the Target Company and for the purpose of controlling and managing the Target Company operations (CAS Capital and its affiliated companies, as well as the investment funds administered and managed by them and the investment funds’ portfolio companies are collectively referred to as “CAS Capital Group”).

CAS Capital is an independent, Japanese investment company established with the aim of contribution to Japanese society by seeking to continuously enhance the enterprise value of portfolio companies, focusing on top-tier companies within Japan. As well as making amicable investments in a number of enterprises within Japan, including KINREI CORPORATION and KAZOKUTEI CO., LTD., CAS Capital Group has supported the management of portfolio companies through utilization of its expertise in fostering and managing companies.

The Offeror is conducting the Tender Offer for the purpose of acquiring all outstanding shares of the Target Company, excluding treasury stocks held by the Target Company, as well as all stock acquisition rights issued by the Target Company pursuant to the resolution approved at the 53rd ordinary general shareholders meeting held on December 21, 2007 and the resolution by the board of directors at the meeting held on February 14, 2008 (the “Stock Acquisition Rights”), thereby privatizing the common stock of the Target Company.

The Tender Offer is conducted as part of a series of transactions (the “Transactions”) for a management buyout (MBO) (a transaction in which, pursuant to an agreement with the directors of the target company, the offeror who conducts the tender offer has a joint interest in the directors), and the Offeror, with the support for the Tender Offer expressed by the board of directors of the Target Company, will conduct the Tender Offer pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; “FIEA”) in order to acquire the shares and the Stock Acquisition Rights of the Target Company in an amicable manner.

As detailed in (2) *Background and Purpose of Conducting the Tender Offer and Management Policy after the Tender Offer*, with the belief that it is necessary to privatize the common stock of the Target Company in order to allow the Target Company to be agile and flexible in its response to the essential issues that it is facing, since December 24, 2009, CAS Capital, along with Mr. Hideyuki Matsukawa, the president and representative director of the Target Company, has been considering the Target Company’s business strategy and capital strategy from a medium- to long-term perspective. Based on this consideration, CAS Capital ultimately concluded in late March 2010 that a reasonable amount of time and funding will be required on the part of the Target Company in order to address the essential issues that it is facing, and because business performance could deteriorate in the short term as costs increase and cash flow worsens, it would be best to have an agile and flexible response to the essential issues after privatizing the common stock of the Target Company, and reached an agreement with Mr. Matsukawa to that effect.

On May 14, 2010, CCF5 and the Offeror entered into an agreement regarding the transaction for privatization (the “Agreement”) with Mr. Matsukawa in which they agreed that: (i) any actions necessary to elect three directors and one corporate auditor to be nominated by CAS Capital Group, in addition to the Target Company’s existing officers, will be undertaken at the first general shareholders meeting of the Target Company convened after the Tender Offer is settled; (ii) Mr. Matsukawa will fully commit himself to his duties as the representative director of the Target Company for a period of at least four years, in principle, after settling the Tender Offer, unless otherwise agreed on by CCF5; (iii) Mr. Matsukawa will tender 976,000 shares (approximately 22.59% ownership ratio), representing all shares of common stock of the Target Company in his possession, in response to the Tender Offer; and (iv) in the event that the Tender Offer is successful, subsequent to the Tender Offer, Mr. Matsukawa will invest 635.23 million yen in the Offeror, acquiring 635,230 shares of the Offeror’s common stock (approximately 15.28% ownership ratio). In addition, the Offeror and Symphony Financial Partners Co., Ltd. (“Symphony”), the investment advisor to the Target Company’s major shareholders, The SFP Value Realization Master Fund Ltd., The SFP Value Realization Japan Fund, and Managed Account Investments, SPC (collectively, the “SFP related Funds”), have agreed, in principle, that Symphony will advise the SFP related Funds to tender all 783,800 shares (approximately 18.14% ownership ratio), representing all shares of common stock of the Target Company in the SFP related Funds’ possession, in response to the Tender Offer (See (3) *Agreements concerning the Tender Offer* below for details of the agreements with Mr. Matsukawa and Symphony.). Furthermore, the minimum number of shares to be purchased in the Tender Offer has been established as 2,881,568 shares, which is two-thirds of the number of shares remaining (4,322,352 shares) after deducting the number of shares of the Target Company’s treasury stocks

as of March 31, 2010 (629,512 shares) as stated in the Target Company's second quarterly report for the 56th term (submitted on May 14, 2010), which are not to be acquired through the Tender Offer, from the total number of the Target Company's outstanding shares as of March 31, 2010 (4,951,864 shares) as stated in the Target Company's second quarterly report for the 56th term. If the total number of tendered share certificates, etc. is less than the minimum number of shares to be purchased in the Tender Offer, the Offeror will not purchase any of the tendered share certificates, etc. If the total number of tendered share certificates, etc. equals the minimum number of shares for the tender offer or more, all the tendered share certificates, etc. will be purchased.

If the Tender Offer is successful, prior to the settlement of the Tender Offer, the Offeror is scheduled to (i) receive a maximum investment of 3,520 million yen from CCF5, and (ii) obtain up to 2,835.23 million yen in financing from Aozora Bank, Ltd. (the "Acquisition Loan"), and such funding will be used to settle the transaction in the event that the Tender Offer is successfully completed. An agreement for the Acquisition Loan has not been executed as of the date of this press release; however, it is expected that a portion of the Acquisition Loan will be repaid using the funds contributed by Mr. Matsukawa to the Offeror after the Tender Offer is settled, and that, after the Tender Offer is settled, the Target Company shares owned by the Offeror and the Offeror shares owned by CCF5 and Mr. Matsukawa, along with certain assets of the Offeror, will be provided as collateral for the Acquisition Loan and after the Merger detailed below, the surviving entity after the Merger will become the borrower under the Acquisition Loan and certain assets of the surviving entity will be provided as collateral for such financing. Furthermore, if the Tender Offer is successful and the Offeror purchases the Target Company shares and other securities, the Offeror is scheduled, subsequent to the Tender Offer, to execute an absorption-type merger (the "Merger") for cash consideration, with the Offeror as the surviving entity and the Target Company as the absorbed entity, in accordance with the method set forth in (5) *Policy on organizational restructuring, etc. after the Tender Offer (regarding the 'Two-Step Acquisition' process)* below.

(2) Background and Purpose of Conducting the Tender Offer and Management Policy after the Tender Offer

According to the Target Company, the Target Company's predecessor, the company formerly known as Tokushu Toryo Co. Ltd., was established in March 1955 to research, manufacture, and sell non-destructive testing products. The Target Company has two main businesses on which it has based its growth, namely, (1) the "Non-Destructive Testing Segment," through which it develops, designs, manufactures, and sells equipment and consumables used in product testing for basic industries like the steel industry, the automobile industry, and the plant industry (in which electrical power companies and petro-chemical companies are main players), as well as in the maintenance and testing of structures; and (2) the "Marking Segment," through which it develops, designs, manufactures, and sells marking equipment and special paint for steel used for marking items such as steel products and semiconductors directly with letters and codes using paint, as well as stamping equipment for the steel and automobile industries.

According to the Target Company, thanks to the growth of its business, the Target

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Company went public on the over-the-counter market in April 1991, and it has delivered value that is directly connected to the needs of its users, including the automobile, steel, and plant operators that represent its main customers. Specifically, the Target Company has been able to secure a unique position and earn the confidence of prominent customers, especially in the Japanese market, thanks to (i) “product strength,” which is shown by developing and offering innovative products, taking advantage of the latest technology, (ii) “generalization strength,” which is shown by addressing a broad range of customer needs as an integrated manufacturer of surface penetration products, marking equipment, and consumables, and (iii) “after-sales service strength,” which is shown by securing the inclusion of its products in manufacturing lines.

On the other hand, according to the Target Company, the Target Company considers its managerial challenges to be (i) responding swiftly to the extensive demands that accompany the global development of the Target Company’s major users and (ii) reinforcing the managerial and sales structures of its subsidiaries in China, Korea and Thailand, who are critical for the overseas development of the Target Company, given the current circumstances in which the automobile industry, one of the Target Company’s major users, is increasing its rate of local production across the globe in response to a decline in export competitiveness due to the high-valued yen, and in which the steel industry, another major user, is shifting the focus of its priority production items to high-class items such as steel plates for ships and steel pipes for oil drilling, as well as the fact that these major users are making more active investments in emerging countries. Although the Japanese economy is slowly recovering, uncertainty about the future still remains, as any rebound in corporate earnings continues to be hindered by the ongoing appreciation of the yen and the deteriorating employment situation, and there is still a sense of overcapacity in the market. Furthermore, the Chinese economy is rapidly recovering from the effects of the global economic crisis thanks to the Chinese government’s swift economic action, but the Target Company’s sales and profits from the Chinese market were down sharply because of the Target Company’s December 2009 decision to dissolve its Chinese joint venture and begin the process of dissolving the company. According to its May 14, 2010 press release titled *Announcement Regarding Difference in Earnings Forecast and Account Settlement and Revisions to Earnings Forecast*, in spite of improved sales for consumables following increased production in the steel and automobile industries, recovery in the demand for equipment has been delayed and therefore, sales of principal machinery and equipment, such as penetrant testing units and marking equipment, remain stagnant. As a result, the Target Company’s earnings forecast (consolidated and non-consolidated) for the first half of the fiscal year ending September 2010 differed from that announced on December 18, 2009, and the Target Company expected that sales of principal machinery would remain stagnant. Therefore, on May 14, 2010, the Target Company revised its earnings forecast down due to the expectation that its earnings (consolidated and non-consolidated) for the fiscal year ending September 2010 could not meet the forecast amounts announced on December 18, 2009. According to the press release titled *Announcement of Implementation of a Management Buyout (“MBO”) and Recommendation for the Tender of Shares*, released by the Target Company on May 14, 2010, (the “Target Company’s Press Release”), Mr. Matsukawa did not participate in the downward revision of the earnings forecast dated May 14, 2010.

Nevertheless, in spite of the aforementioned circumstances surrounding the Target Company, the Offeror believes that the Target Company is sure to realize a growth strategy, as described below.

First, the Offeror believes that in the Non-Destructive Testing Segment, thanks to the global boom in nuclear power plant construction and an increasing awareness of safety and reliability, along with the expansion of the inspection such that previously uninspected equipment, facilities and structures are now subject to inspection, the Non-Destructive Testing market will steadily expand in the future, and that consistent growth can be expected for the Asia Pacific region in particular.

The Offeror believes that, in the Marking Segment, demand for markings used to ensure the appropriate supply of specific materials in the production process can be expected to remain steady because of the growing demand for steel in emerging countries. As the demand for steel grows, the application and capabilities of steel products can be expected to become even more advanced, and to potentially lead to a dramatic increase in the types of products produced.

The Offeror believes that overseas markets for the Non-Destructive Testing Segment and the Marking Segment are growing even faster than the Japanese market is recovering, and that in this market environment the Target Company has been building a foothold in emerging countries with rapidly growing markets, such as China and Thailand, and therefore the Target Company would be one of the companies that can aim to become a top global company in the Non-Destructive Testing Segment and the Marking Segment by quickly building a framework that will enable it to strategically and successfully develop its future overseas business and promote suitable business development. On the other hand, the Offeror fears that while awareness of the safety and security of the users of the Target Company's products and services is increasing, price competition may further intensify.

The Offeror believes that, in view of the Target Company's strengths and market circumstances, there is an urgent need for the Target Company to build a framework that will allow it to properly demonstrate its previously discussed three "strengths", as well as to formulate a strategy and implementation plan so that it can quickly secure its own position ahead of the other competitors in the international market that are experiencing rapid growth. Specifically, the Offeror believes that the essential pressing issues are: (i) to continually invest in maintaining and reinforcing competitive strengths that are not dependent on pricing, as well as to develop high value-added products and introduce such products to the markets; (ii) to create a framework that will allow the Offeror to adapt swiftly to changes in growing foreign markets and to develop a business based on a strategy that is suitable for such markets; and (iii) to allocate business resources more effectively and to build an agile organizational framework in order to realize the foregoing.

By taking advantage of its past experience in working to improve its portfolio companies, CAS Capital Group believes that, by providing the human resources and expertise necessary for the Target Company to address the aforementioned essential issues and by designing and restructuring a business infrastructure to support them, it will be able to achieve management that reacts quickly to the market in order to

accelerate the Target Company's strategy to grow into a top global company. Furthermore, the Offeror believes that in order to achieve the most effective level of management, the Target Company's best option is to work jointly with Mr. Matsukawa, who is intimately familiar with the substance of the Target Company's business and its management strategy, can exert powerful leadership in the management of the Target Company, and has solid relationships with the Target Company's customers.

However, at the same time, the Offeror is concerned that, because a reasonable amount of time and funding will be required in order to address the aforementioned essential issues in an agile manner, business performance could deteriorate in the short term as costs increase and cash flow worsens.

Taking into account the foregoing considerations, CAS Capital determined that implementing an agile and flexible response to the essential issues that the Target Company is confronting only after CAS Capital, acting through the Offeror, and Mr. Matsukawa privatize the common stock of the Target Company, would be the best response from the perspective of raising the enterprise value of the Target Company over the medium- to long-term, and it arrived at the decision to implement the Tender Offer.

(3) Agreements concerning the Tender Offer

CCF5, the Offeror, and Mr. Matsukawa generally agree as follows in the Agreement:

(i) Agreement concerning Target Company shares, etc. held by Mr. Matsukawa

Under the Agreement, Mr. Matsukawa agrees to tender all 976,000 shares (approximately 22.59% ownership ratio) of the Target Company's common stock held by Mr. Matsukawa in the Tender Offer, and he agrees that he will not cancel any agreement concerning the Tender Offer purchase effected as a result of such tender. Additionally, Mr. Matsukawa agrees that, in the event that the Tender Offer is successful, he will, at the request of the Offeror, surrender, for no compensation, all 186 units of Stock Acquisition Rights in his possession. Furthermore, Mr. Matsukawa agrees to cooperate with the Offeror with respect to asking the Target Company's major shareholders to tender the shares of the Target Company in their possession in the Tender Offer, and making a reasonable effort to cause the holders of any Stock Acquisition Rights ("Holders of Stock Acquisition Rights") to tender the Stock Acquisition Rights in the Tender Offer or to surrender, for no compensation, the Stock Acquisition Rights in their possession after the Tender Offer. In the event that Mr. Matsukawa materially breaches his obligations under the Agreement or materially breaches the representations and warranties set forth in the Agreement, the Offeror or CCF5 may cancel the Agreement; provided, however, that even in such an event, Mr. Matsukawa is not prohibited or restricted from tendering his shares or Stock Acquisition Rights in the Tender Offer at his own discretion.

(ii) Investment in the Offeror after the Tender Offer

CCF5, the Offeror and Mr. Matsukawa agree that, promptly after the settlement of the Tender Offer, the Offeror will issue 635,230 shares of the Offeror's common stock (approximately 15.28% ownership ratio) to Mr. Matsukawa through a third-

party allocation of new shares, and Mr. Matsukawa will invest 635.23 million yen in the Offeror in response to the issuance of new shares. The Acquisition Loan agreement has not been executed as of the date of this press release; however, they agree that a portion of the Acquisition Loan shall be repaid using the aforementioned funds paid by Mr. Matsukawa, and CCF5 and Mr. Matsukawa shall provide the shares in the Offeror that they possess as collateral for such financing.

(iii) Agreement concerning the Merger

As stated in (5) *Policy on organizational restructuring, etc. after the Tender Offer (regarding the 'Two-Step Acquisition' process)* below, CCF5, the Offeror, and Mr. Matsukawa agree that the Offeror and Mr. Matsukawa will conduct any action necessary to effect the Merger.

(iv) Agreement concerning governance of the Offeror and the Target Company if the Tender Offer is successful

Mr. Matsukawa agrees to fully commit himself to his duties as the representative director of the Target Company (or the surviving entity after the Merger) for a period of at least four years after the settlement of the Tender Offer, unless: (i) Mr. Matsukawa is affected by a physical disability or mental disorder, or other such unavoidable circumstances, or (ii) Mr. Matsukawa and CCF5 establish an agreement whereby Mr. Matsukawa retires as representative director of the Target Company (or the surviving entity after the Merger) and a third party agreed on separately by Mr. Matsukawa and CCF5 assumes the position of representative director of the Target Company (or the surviving entity after the Merger) as Mr. Matsukawa's successor. Additionally, he agrees that any material matters concerning the management of the Target Company and matters concerning the shares, etc. of the Target Company will only be undertaken after obtaining CCF5's consent.

Furthermore, CCF5, the Offeror, and Mr. Matsukawa agree that a general shareholders meeting of the Target Company will be convened after the Tender Offer is settled, and that any action necessary to elect three directors and one corporate auditor to be nominated by CAS Capital Group, in addition to the Target Company's existing officers, will be conducted at the general shareholders meeting.

In addition, the Offeror and Symphony, investment advisor to the Target Company's major shareholders, the SFP related Funds, have agreed that Symphony will advise the SFP related Funds to tender all 783,800 shares (approximately 18.14% ownership ratio), representing all shares of common stock of the Target Company in the SFP related Funds' possession, in response to the Tender Offer. However, if (i) a third party other than the Offeror (and excluding the SFP related Funds and any other party advised by Symphony or its affiliate) makes an offer to purchase shares of common stock of the Target Company through a tender offer and for a price higher than the price in the Tender Offer, or (ii) the shares of the Target Company are subject to auction or other such purchase on a stock exchange or financial instruments market, or the shares are sold to a third party off any stock exchange or financial instruments market for a price higher than the price in the Tender Offer, Symphony is not obligated to advise the SFP related Funds to tender their shares in the Tender Offer, and if the SFP related Funds have already tendered their shares in

the Tender Offer, Symphony may advise the SFP related Funds to cancel the agreement regarding the Tender Offer executed as a result of such tender. The SFP related Funds are investment funds that are independent from CCF5 and the Offeror and have no special interest in CCF5 or the Offeror.

(4) Measures to ensure Fairness of the Tender Offer, including Measures to ensure Fairness of the Offer Price and Measures to avoid Conflicts of Interest

The Offeror and the Target Company recognize that the Tender Offer is included in the Transactions for the purpose of an MBO and that there may be a fundamental conflict of interest, and has therefore implemented preliminary measures such as the following to secure fairness of the Transactions, including the Tender Offer, from the perspective of ensuring fairness of the offer price for shares of common stock under the Tender Offer (the “Tender Offer Price”), eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest. (Please note that that the statements below on the measures implemented by the Target Company are based on accounts given by the Target Company.)

(i) Offeror’s deliberations regarding offer price

The Offeror determined the Tender Offer Price based on movements in the market price of the Target Company’s common stock on JASDAQ over a period of six months or so including the stock’s recent movements, (as the Osaka Securities Exchange Co., Ltd. absorbed JASDAQ Securities Exchange, Inc. on April 1, 2010, any reference to movements in the market price of the Target Company’s common stock through March 2010 refers to movements on JASDAQ Securities Exchange, Inc.), financial data released by the Target Company, the Target Company’s expected future cash flow calculated by the Offeror, and the results of the due diligence investigation carried out by the Offeror, and comprehensively considered the level of premiums paid under other tender offers, past trading turnover in the shares of common stock of the Target Company by price, and other relevant data. As a result of that comprehensive review and based on the results of multiple consultations and negotiations with both Symphony, investment advisor to the Target Company’s major shareholders the SFP related Funds, and the special committee established by the Target Company’s board of directors, the Offeror decided on the Tender Offer Price of 1,400 yen. Communication with the special committee was conducted through Target Company directors. Please note that the Offeror did not acquire an appraisal from a third party when calculating the Tender Offer Price.

The Tender Offer Price represents the following premiums: a premium of 52.2% (rounded to one decimal place) on 920 yen, which is the final closing price of the Target Company’s common stock on JASDAQ on May 13, 2010; a premium of 52.3% (rounded to one decimal place) on 919 yen (rounded to the nearest yen), which is the simple average closing price for the month immediately preceding May 13, 2010; a premium of 48.5% (rounded to one decimal place) on 943 yen (rounded to the nearest yen), which is the simple average closing price for the past three months; and a premium of 42.6% (rounded to one decimal place) on 982 yen (rounded to the nearest yen), which is the simple average closing price for the past six months. Furthermore, as Stock Acquisition Rights are also included in the

Tender Offer, the Offeror calculates the price per unit of the Stock Acquisition Rights at 1 yen since (i) all the Stock Acquisition Rights were issued to officers and employees of the Target Company as stock options, and the Holders of Stock Acquisition Rights shall hold the status of director, corporate auditor or employee of the Target Company or an affiliated company, even when the rights are exercised (provided that this is regarded as not applying to compulsory retirement and other situations where there are reasonable grounds), and (ii) it is understood that the Holders of Stock Acquisition Rights may not, under their stock acquisition rights allocation agreements with the Target Company, dispose of their Stock Acquisition Rights including by transfer, establishment of a security, or pledge, so that even if the Offeror purchases Stock Acquisition Rights through the Tender Offer, the Offeror would be unable to exercise such Stock Acquisition Rights.

- (ii) Target Company's acquisition of a valuation report on the share value from an independent third-party appraiser

Meanwhile, according to the Target Company's Press Release, the Target Company's board of directors appointed a third-party appraiser independent of the Target Company and the Offeror, SN Corporate Advisory Co., Ltd ("SNCA"), which had no conflict of interest with the Target Company's general shareholders, to act as a financial advisor in regard to the consideration of the Offeror's Tender Offer proposal, and the board of directors instructed SNCA to advise them on the financial aspects of the Tender Offer and appraise the Target Company's share value.

According to the Target Company's Press Release, in order to collect and consider the data necessary for appraising the Target Company's share value, SNCA acquired materials and received explanations from the Target Company's board of directors on matters including the current state of the Target Company's business and future business plan (the "Target Company's Business Plan"),\* and calculated the Target Company's share value on the basis of this data. The Target Company's board of directors then acquired a valuation report on the share value pertaining to the shares of common stock in the Target Company from SNCA on May 13, 2010. (Please note that the Target Company did not acquire a fairness opinion on the Tender Offer Price from SNCA.) When calculating the Target Company's share value, SNCA believed that it was appropriate to work on the assumption that the Target Company would continue its business and to carry out a multi-faceted assessment based on the Target Company's Business Plan and other documents provided by the Target Company, and carried out the appraisal of the Target Company's share value using both the DCF and the market average share price methods. The result of SNCA's valuation report on the share value is a value per Target Company share calculated at

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\* According to the Target Company's Press Release, the Target Company's Business Plan is based on the Target Company's revised earnings forecast (consolidated and non-consolidated) for the fiscal year ending September 2010 as released on May 14, 2010, and the business plan for the fiscal years ending September 2011 and September 2012 prepared taking into consideration the stagnant sales of machinery and equipment and other factors due to delayed recovery in the demand for equipment. Mr. Matsukawa, who has a special interest in the Transactions, has not participated in the preparation of the earnings forecast (consolidated and non-consolidated) for the fiscal year ending September 2010 or the business plan for the fiscal years ending September 2011 and September 2012. The Target Company's Business Plan forecasts net sales of 4,124 million yen, operating profits of 392 million yen, and net profits of 184 million yen (each on a consolidated basis) for the fiscal year ending September 2010, and is planning for net sales of 4,830 million yen, operating profits of 676 million yen, and net profits of 415 million yen (each on a consolidated basis) for the fiscal year ending September 2011, and net sales of 5,887 million yen, operating profits of 1,037 million yen, and net profits of 669 million yen (each on a consolidated basis) for the fiscal year ending September 2012.

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1,286 yen to 1,451 yen under the DCF method, and 917 yen to 970 yen under the market average share price method. (Please note that under the market average share price method, the range of values per share was appraised based on the volume weighted average price for the Target Company common stock over one, three and six months on JASDAQ (917 yen, 936 yen, and 970 yen respectively) with May 12, 2010 as the reference date.) (As the Osaka Securities Exchange Co., Ltd. absorbed the Jasdac Securities Exchange, Inc. on April 1, 2010, for the period until the end of March 2010, the Offeror has referred to movements in the market price of the Target Company's common stock on the Jasdac Securities Exchange, Inc. as movements in the market price of the Target Company's common stock on JASDAQ. The same applies hereafter with respect to any reference to the market value of common stock of the Target Company.)

According to the Target Company's Press Release, considering (i) the results of the special committee's multiple consultations with the Offeror conducted through the Target Company's board of directors, receiving information from the Target Company's board of directors regarding the Tender Offer Price and similar matters pertaining to the Tender Offer and (ii) the details of the report from the special committee, and with reference to the results of the appraisal contained in SNCA's valuation report on the share value of the Target Company's common stock and explanations of those valuation report results, the Target Company's board of directors determined that the Tender Offer Price and other various terms of the Tender Offer presented by the Offeror are appropriate as a result of careful consultations and consideration from the perspective of the Target Company's financial situation, the business environment, and fairness to the shareholders, as the Tender Offer will constitute an opportunity for all Target Company shareholders to sell their shares of common stock in the Target Company at a reasonable price.

On the other hand, according to the Target Company's Press Release, in relation to the Stock Acquisition Rights, given that they were issued as stock options to officers and employees of the Target Company, and that the offer price has been set at 1 yen, the Target Company's board of directors determined to leave the decision to apply for the Tender Offer up to the judgment of the Holders of Stock Acquisition Rights.

(iii) Establishment of an independent special committee

According to the Target Company's Press Release, on April 5, 2010, the Target Company's board of directors resolved to establish a special committee, independent of the Target Company and the Offeror, comprised of three persons who had no conflict of interest with the Target Company's general shareholders in order to ensure the fairness of the Tender Offer and enhance the transparency and objectivity of the Transactions, and to commission such special committee to provide an opinion to the Target Company's board of directors as to the reasonableness of the Target Company's board of directors approval of the Tender Offer and the appropriateness of the Tender Offer Price, in order to ensure the appropriateness of the Tender Offer Price and the fairness of the board's decision-making process from the perspective of protecting the interests of minority shareholders when the Target Company's board of directors expresses its view on the Tender Offer. The Target Company appointed the following three persons as members of the special committee: Hiroichi Uekusa,

(chairperson; attorney at Minato-Kyowa Law Office), Taizo Ota (attorney and patent attorney at Marunouchi Sogo Law Office), and Yoshinori Takeuchi (the Target Company's outside corporate auditor).

According to the Target Company's Press Release, on April 9, 2010, the special committee began considering the reasonableness of the Target Company's board of directors approving the Tender Offer and the appropriateness of the Tender Offer Price. Upon considering such reasonableness, the special committee appointed Tokyo Aoyama Aoki Koma Law Office as legal advisor and SNCA as financial advisor, and recommended those advisors to act as the Target Company's legal and financial advisors to the Target Company's board of directors. The special committee met on five occasions, received reports and legal advice from Tokyo Aoyama Aoki Koma Law Office on the Tender Offer, the Offeror and on measures the Target Company's board of directors has put in place to avoid conflicts of interest, acquired and scrutinized relevant materials relating to the Transactions from the Target Company and the Offeror, and questioned the Offeror and Mr. Matsukawa. The special committee also carefully consulted with the Offeror as necessary, through the Target Company's board of directors, regarding the Tender Offer Price and deliberated on the above matters of inquiry, having received explanations from and questioned SNCA in relation to the details and results of the appraisal of the Target Company's share value. After careful consideration of the matters for inquiry based on the results of these steps, on May 13, 2010, the special committee unanimously resolved to report their view to the Target Company's board of directors that the Tender Offer would contribute to enhancing the Target Company's corporate value, and would constitute an opportunity for all Target Company shareholders to sell their shares of common stock of the Target Company at a reasonable price, that the Tender Offer Price was appropriate, and also that it would be reasonable for the Target Company's board of directors to express an opinion supporting the Tender Offer, and provided a report detailing such views to the board of directors meeting held on May 14, 2010. On the other hand, the special committee reported that, because the Stock Acquisition Rights were issued to officers and employees of the Target Company as stock options and the offer price has been set at 1 yen, the special committee did not express an opinion regarding whether or not the Target Company's board of directors should advise the Holders of Stock Acquisition Rights to tender their Stock Acquisition Rights.

(iv) Target Company's advice from independent legal advisors

According to the Target Company's Press Release, in order to further ensure the fairness of the Transactions proposed by CAS Capital and to further enhance the transparency and objectivity of the Transactions, the Target Company's board of directors appointed Tokyo Aoyama Aoki Koma Law Office as legal advisor independent of the Target Company and the Offeror and with no conflict of interest with the general interests of the Target Company's shareholders. The legal advisor acquired information necessary to give that legal advice, by questioning the Offeror, Mr. Matsukawa and directors of the Target Company about the Transactions and scrutinizing materials obtained from the Target Company and the Offeror as needed, and gave, in consultation with the special committee, legal advice to the Target Company's board of directors. The Target Company's board of directors was advised by the legal advisor on legal issues including the decision-making processes

and methods relating to the Tender Offer and gave careful consideration to various terms, including the terms pursuant to which the Target Company would accept the Transactions proposed by CAS Capital, the concrete terms of the Tender Offer, and the terms on procedural matters and the timing of the implementation.

(v) Approval of disinterested Target Company directors and all corporate auditors

According to the Target Company's Press Release, the Target Company's board of directors received a report from the special committee to the effect that the Tender Offer Price was appropriate and that it was reasonable for the Target Company's board of directors to express support for the Tender Offer. As a result of careful consultations and consideration of the Tender Offer Price and other various terms of the Transactions on the basis of the valuation report on the share value acquired on May 13, 2010 from SNCA, the third-party appraiser, the board of directors, at its meeting held on May 14, 2010, determined that the Tender Offer contributes to the enhancement of the corporate value of the Target Company and, in turn, the common interests of the shareholders, respecting the details of the above report by the special committee, and resolved to express support for the Tender Offer, and to recommend that Target Company shareholders tender their shares in the Tender Offer. On the other hand, according to the Target Company's Press Release, since the Stock Acquisition Rights were issued as stock options to officers and employees of the Target Company, and the offer price has been set at 1 yen, the Target Company's board of directors resolved to leave the decision of whether or not to tender the Stock Acquisition Rights in the Tender Offer up to the judgment of the individual Holders of Stock Acquisition Rights.

Please note that, according to the Target Company's Press Release, considering that as detailed in (3) *Agreements concerning the Tender Offer* above, Mr. Matsukawa executed an agreement with CCF5 and the Offeror to the effect that Mr. Matsukawa will (i) tender all the shares of common stock he holds in the Target Company in the Tender Offer, (ii) invest in the Offeror after the Tender Offer, (iii) cooperate with the Merger procedures regarding the Target Company, and (iv) perform his duties as the representative director of the Target Company even after the Tender Offer, Mr. Matsukawa had a special interest in the Transactions, and he did not participate in the deliberations or voting at the Target Company's board of directors meetings concerning the Transactions held on April 5, and May 14, 2010, and further, Mr. Matsukawa has not taken part in the consultations and negotiations with the Offeror on behalf of the Target Company. On the other hand, according to the Target Company's Press Release, all of the Target Company's directors other than Mr. Matsukawa, who has a special interest, took part in the relevant deliberations and voting, and the resolution was unanimously approved by the directors who voted. (Please note that Mr. Ichiro Furuse, a director of the Target Company, took part in the deliberations and voting at the board of directors' meeting on May 14, 2010 by telephone conference.) Further, according to the Target Company's Press Release, since the Target Company's outside corporate auditor, Mr. Nobuyuki Hirose also serves as CAS Capital's corporate auditor, although Mr. Hirose attended the Target Company's board of directors meeting relating to the composition of the special committee held on April 5, 2010, Mr. Hirose did not take part in the deliberations or voting on the Transactions at the Target Company's board of directors meeting concerning the Transactions held on May 14, 2010 and has not taken part in the

consultations or negotiations with the Offeror on behalf of the Target Company. On the other hand, according to the Target Company's Press Release, all the corporate auditors other than Mr. Hirose took part in the deliberations and all corporate auditors who took part in the deliberations expressed the opinion that they had no objection to the Target Company's board of directors expressing an opinion approving the Tender Offer.

Please note that, according to the Target Company's Press Release, Mr. Kawamura, representative director of the Offeror and CAS Capital, resigned from his position as the Target Company's substitute corporate auditor on May 14, 2010.

Further, according to the Target Company's May 14, 2010 press release titled *Announcement Regarding Revised Dividends from Surplus for Fiscal Year Ending September 2010*, at the board of directors meeting held on May 14, 2010, the Target Company resolved not to distribute dividends for the fiscal year ending September 2010 and revised the forecast dividends for the same term on the condition that the Tender Offer is successfully effected.

(vi) Tender Offer Period set at 31 business days

While the minimum tender offer period stipulated by law (the "Tender Offer Period") is 20 business days, the Offeror has set the Tender Offer Period for the Tender Offer at 31 business days. Setting a comparatively long Tender Offer Period in this way ensures an appropriate opportunity for all Target Company shareholders to make a determination about the Tender Offer, while ensuring an opportunity for counter offers and the like by parties other than the Offeror, as a means to guarantee the appropriateness of the Tender Offer Price. Please note that there is no agreement whatsoever between the Target Company and the Offeror, CAS Capital Group, or Mr. Matsukawa that would prohibit the Target Company from having contact with a party who might become a counter offeror.

(5) Policy on organizational restructuring, etc. after the Tender Offer (regarding the 'Two-Step Acquisition' process)

In the event that the Tender Offer is successful and the Offeror purchases the Target Company shares, etc., the Offeror intends to carry out an organizational restructuring and to deliver cash consideration in exchange for the shares in the Target Company held by each shareholder to all shareholders who did not participate in the Tender Offer.

Specifically, after the Tender Offer is successfully completed, the Offeror intends to conduct an absorption-type merger to absorb the Target Company by sometime in late September 2010, whereby the Offeror will be the surviving company and the Target Company will be dissolved, and to deliver cash to all shareholders in the dissolved Target Company (excluding the Offeror and the Target Company) as consideration for their shares in the Target Company. The amounts to be delivered are expected to be calculated by multiplying the Tender Offer Price for shares of common stock under the Tender Offer by the number of shares of common stock in the Target Company each shareholder holds.

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With respect to the provisions under the Companies Act that are designed to protect minority shareholders in the Merger process, the Companies Act provides that shareholders may request the purchase of their shares in accordance with the provisions of Articles 785 and 786 of the Companies Act and other provisions of relevant laws and regulations. The purchase price or acquisition price per share used by this method will ultimately be determined by the courts.

While the Merger is scheduled to be carried out in the period after the Tender Offer is settled and by sometime in late September 2010, the Offeror and the Target Company may accomplish the same result as the Merger using a different method depending on various circumstances, including the Offeror's share ownership ratio after the Tender Offer, the ownership of shares in the Target Company by shareholders other than the Offeror, the details of the Target Company's finances, and the authorities' interpretation of the relevant laws and regulations. However, even in that case, the common stock of the Target Company is scheduled to be privatized by the eventual delivery of cash to the Target Company shareholders other than the Offeror, and further, in relation to the amounts to be delivered to the Target Company shareholders, the amounts are also expected to be calculated so as to be the same as the price reached by multiplying the Tender Offer Price for shares of common stock under the Tender Offer by the number of shares of common stock in the Target Company each shareholder holds. The Offeror will decide, in consultation with the Target Company, the actual procedures to be carried out in the above measures and will make such procedures public promptly after the decision.

If the Offeror fails to acquire all of the Target Company's Stock Acquisition Rights, despite the successful completion of the Tender Offer, the Offeror intends to request that the Target Company carry out any procedures necessary to extinguish the Stock Acquisition Rights.

Please note that the Tender Offer is not intended to solicit the exercise of voting rights of the Target Company shareholders who will be present at the general shareholders meeting that is expected to be convened pursuant to the procedures stated above. Further, it is each shareholder's own responsibility to confirm with tax experts regarding any tax treatment applying to the procedures above.

(6) Possibility of and reasons for delisting

As of May 14, 2010, the common shares in the Target Company are listed on JASDAQ. However, since the Offeror has not set a maximum limit on the number of share certificates, etc. to be purchased in the Tender Offer, the common shares in the Target Company may be delisted pursuant to the procedures prescribed by JASDAQ in accordance with JASDAQ's criteria for delisting stock, depending on the results of the Tender Offer. In addition, even if the shares in the Target Company do not fall under the criteria at the time the Tender Offer is effected, as described above in (5) *Policy on organizational restructuring, etc. after the Tender Offer (regarding the 'Two-Step Acquisition' process)*, the Offeror plans to execute an absorption-type merger for cash consideration, with the Offeror as the surviving entity and the Target Company as the absorbed entity, in which case the shares of common stock in the Target Company will still be expected to be delisted pursuant to JASDAQ procedures.

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## 2. Description of the Tender Offer, etc.

### (1) Description of the Target Company

(i)	Name	MARKTEC Corporation																				
(ii)	Address	17-35, Omori Nishi 4-chome, Ota-ku, Tokyo																				
(iii)	Name and Title of Representative	President and Representative Director Mr. Hideyuki Matsukawa																				
(iv)	Description of Business	Manufacturing and sales of non-destructive inspection equipment and marking equipment																				
(v)	Amount of Capital	JPY 1,503,202,000 (as of March 31, 2010)																				
(vi)	Date of Incorporation	March 9, 1955																				
(vii)	Major Shareholders and Their Shareholding Ratios (as of March 31, 2010)	<table> <tr> <td>Hideyuki Matsukawa</td> <td>19.70%</td> </tr> <tr> <td>The SFP Value Realization Master Fund Ltd. (Standing Agent: Credit Suisse Securities (Japan) Limited)</td> <td>10.09%</td> </tr> <tr> <td>Neturen Co., Ltd.</td> <td>4.03%</td> </tr> <tr> <td>G.A.S (CAYMAN) LIMITED (Standing Agent: Credit Suisse Securities (Japan) Limited)</td> <td>3.82%</td> </tr> <tr> <td>MARKTEC Corporation's Employees Stock Option Plan</td> <td>2.94%</td> </tr> <tr> <td>Teraoka Seisakusho Co., Ltd.</td> <td>2.01%</td> </tr> <tr> <td>J.P.Morgan Clearing Corp -Sec (Standing Agent: Citibank Japan Ltd.)</td> <td>1.99%</td> </tr> <tr> <td>Masaaki Ichikawa</td> <td>1.78%</td> </tr> <tr> <td>Wahei Takeda</td> <td>1.61%</td> </tr> <tr> <td>OKASAN HOLDINGS INC.</td> <td>1.37%</td> </tr> </table>	Hideyuki Matsukawa	19.70%	The SFP Value Realization Master Fund Ltd. (Standing Agent: Credit Suisse Securities (Japan) Limited)	10.09%	Neturen Co., Ltd.	4.03%	G.A.S (CAYMAN) LIMITED (Standing Agent: Credit Suisse Securities (Japan) Limited)	3.82%	MARKTEC Corporation's Employees Stock Option Plan	2.94%	Teraoka Seisakusho Co., Ltd.	2.01%	J.P.Morgan Clearing Corp -Sec (Standing Agent: Citibank Japan Ltd.)	1.99%	Masaaki Ichikawa	1.78%	Wahei Takeda	1.61%	OKASAN HOLDINGS INC.	1.37%
Hideyuki Matsukawa	19.70%																					
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Masaaki Ichikawa	1.78%																					
Wahei Takeda	1.61%																					
OKASAN HOLDINGS INC.	1.37%																					
(viii)	Relationship between the Offeror and the Target Company																					
	Capital Relationship	There is no capital relationship between the Offeror and the Target Company that should be disclosed. Mr. Hirose, a corporate auditor of CAS Capital, holds 10,796 common shares in the Target Company as of May 14, 2010 (the shareholding ratio to all issued shares in the Target Company as of March 31, 2010 is 0.22%).																				
	Personnel Relationship	Mr. Haruo Kawamura, representative director of the Offeror and CAS Capital, also served as a corporate auditor of the Target Company as of September 30, 2009. However, he resigned from the office of corporate auditor at the close of the ordinary general shareholders meeting of the Target Company that was convened on December 22, 2009. He was also appointed in the same general shareholders meeting as a substitute corporate auditor of the Target Company, but resigned from such post as of May 14, 2010. In addition, Mr. Hirose, a corporate auditor of CAS Capital, also serves as the corporate auditor of the Target Company.																				
	Transaction Relationship	There are no transactions between the Offeror and the Target Company that should be disclosed. In addition, there are no transactions that should be specifically disclosed between persons or companies related to the Offeror, on one part, and																				

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	persons or companies related to the Target Company, on the other.
Status as a Related Party	The Target Company is not a related party of the Offeror. In addition, no person or company related to the Target Company is a related party of the Offeror.

Note: In the above table, the entry in “(vii) Major Shareholders and Their Shareholding Ratios” was prepared based on the second quarterly report for the 56th Term submitted by the Target Company on May 14, 2010.

(2) Tender offer period

- (i) Tender offer period as of the time of filing of the Tender Offer Registration Statement

From May 17, 2010 (Monday) through June 28, 2010 (Monday) (31 Business Days)

- (ii) Possibility of extension of the tender offer period based on the request of the Target Company

N/A

(3) Price of tender offer, etc.

- (i) Common shares: 1,400 yen per share

- (ii) Stock Acquisition Rights: 1 yen per unit of the stock acquisition rights

(4) Reasons for calculation of the price of the Tender Offer

- (i) Basis of Calculation

i. Common Shares

The Offeror determined the Tender Offer Price based on movements in the market price of the Target Company’s common stock on JASDAQ over a period of six months or so including the stock’s recent movements, (as the Osaka Securities Exchange Co., Ltd. absorbed JASDAQ Securities Exchange, Inc. on April 1, 2010, any reference to movements in the market price of the Target Company’s common stock through March 2010 refers to movements on JASDAQ Securities Exchange, Inc.), financial data released by the Target Company, the Target Company’s expected future cash flow calculated by the Offeror, and the results of the due diligence investigation carried out by the Offeror, and comprehensively considered the level of premiums paid under other tender offers, past trading turnover in the shares of common stock of the Target Company by price, and other relevant data. As a result of that comprehensive review and based on the results of multiple consultations and negotiations with both Symphony, investment advisor to the Target Company’s major shareholders the SFP related Funds, and the special committee established by the Target Company’s board of directors, the Offeror decided on the Tender Offer Price of 1,400 yen. Communication with the special committee was conducted through Target Company Directors. Please note that the Offeror did not acquire an appraisal from a third party when calculating the Tender

#### Offer Price.

The Tender Offer Price represents the following premiums: a premium of 52.2% (rounded to one decimal place) on 920 yen, which is the final closing price of the Target Company's common stock on JASDAQ on May 13, 2010; a premium of 52.3% (rounded to one decimal place) on 919 yen (rounded to the nearest yen), which is the simple average closing price for the month immediately preceding May 13, 2010; a premium of 48.5% (rounded to one decimal place) on 943 yen (rounded to the nearest yen), which is the simple average closing price for the past three months; and a premium of 42.6% (rounded to one decimal place) on 982 yen (rounded to the nearest yen), which is the simple average closing price for the past six months.

#### ii. Stock Acquisition Rights

As Stock Acquisition Rights are also included in the Tender Offer, the Offeror calculates the price per unit of the Stock Acquisition Rights at 1 yen since (i) all the Stock Acquisition Rights were issued to officers and employees of the Target Company as stock options, and the Holders of Stock Acquisition Rights shall hold the status of director, corporate auditor or employee of the Target Company or an affiliated company, even when the rights are exercised (provided that this is regarded as not applying to compulsory retirement and other situations where there are reasonable grounds), and (ii) it is understood that the Holders of Stock Acquisition Rights may not, under their stock acquisition rights allocation agreements with the Target Company, dispose of their Stock Acquisition Rights including by transfer, establishment of a security, or pledge, so that even if the Offeror purchases Stock Acquisition Rights through the Tender Offer, the Offeror would be unable to exercise such Stock Acquisition Rights.

#### (ii) Calculation Process

(Process leading to the decision on the price of tender offer)

With the belief that it is necessary to privatize the common stock of the Target Company in order to allow the Target Company to be agile and flexible in its response to the essential issues that it is facing, since December 24, 2009, CAS Capital, along with Mr. Matsukawa, the president and representative director of the Target Company, has been considering the Target Company's business strategy and capital strategy from a medium- to long-term perspective. Based on this consideration, CAS Capital ultimately concluded in late March 2010 that a reasonable amount of time and funding will be required on the part of the Target Company in order to address the essential issues that it is facing, and because business performance could deteriorate in the short term as costs increase and cash flow worsens, it would be best to have an agile and flexible response to the essential issues after privatizing the common stock of the Target Company, and reached an agreement with Mr. Matsukawa to that effect.

Further, The Offeror determined the Tender Offer Price based on movements in the market price of the Target Company's common stock on JASDAQ over a period of six months or so including the stock's recent movements, financial data released by

the Target Company, the Target Company's expected future cash flow calculated by the Offeror, and the results of the due diligence investigation carried out by the Offeror, and comprehensively considered the level of premiums paid under other tender offers, past trading turnover in the shares of common stock of the Target Company by price, and other relevant data. As a result of that comprehensive review and based on the results of multiple consultations and negotiations with both Symphony, investment advisor to the Target Company's major shareholders the SFP related Funds, and the special committee established by the Target Company's board of directors, the Offeror decided on the Tender Offer Price of 1,400 yen on May 14, 2010. Communication with the special committee was conducted through Target Company Directors. Please note that the Offeror did not acquire an appraisal from a third party when calculating the Tender Offer Price.

With respect to the Stock Acquisition Rights, the purchase price per one unit of Stock Acquisition Rights was decided at 1 yen on May 14, 2010, based on the grounds set forth in section "*ii Stock Acquisition Rights*" under "*(i) Basis of Calculation*" above.

(Measures to ensure fairness of tender offer price)

The Offeror and the Target Company recognize that the Tender Offer is included in the Transactions for the purpose of an MBO and that there may be a fundamental conflict of interest, and has preliminarily implemented measures such as the following to secure fairness of the Transactions, including the Tender Offer, from the perspective of ensuring fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest. (Please note that the statements below on the measures implemented by the Target Company are based on accounts given by the Target Company.)

- i Target Company's acquisition of a valuation report on the share value from an independent third-party appraiser

According to the Target Company's Press Release, the Target Company's board of directors appointed a third-party appraiser independent of the Target Company and the Offeror, SNCA, which had no conflict of interest with the Target Company's general shareholders, to act as a financial advisor in regard to the consideration of the Offeror's Tender Offer proposal, and the board of directors instructed SNCA to advise them on the financial aspects of the Tender Offer and appraise the Target Company's share value.

According to the Target Company's Press Release, in order to collect and consider the data necessary for appraising the Target Company's share value, SNCA acquired materials and received explanations from the Target Company's board of directors on matters including the current state of the Target Company's business and Target Company's Business Plan, and calculated the Target Company's share value on the basis of this data. The Target Company's board of directors then acquired a valuation report on the share value pertaining to the shares of common stock in the Target Company from SNCA on May 13, 2010. (Please note that the Target Company did not acquire a fairness opinion on the Tender Offer Price from

SNCA.) When calculating the Target Company's share value, SNCA believed that it was appropriate to work on the assumption that the Target Company would continue its business and to carry out a multi-faceted assessment based on the Target Company's Business Plan and other documents provided by the Target Company, and carried out the appraisal of the Target Company's share value using both the DCF and the market average share price methods. The result of SNCA's valuation report on the share value is a value per Target Company share calculated at 1,286 yen to 1,451 yen under the DCF method, and 917 yen to 970 yen under the market average share price method. (Please note that under the market share price method, the range of values per share was appraised based on the volume weighted average price for the Target Company common stock over one, three and six months on JASDAQ (917 yen, 936 yen, and 970 yen respectively) with May 12, 2010 as the reference date.) (As the Osaka Securities Exchange Co., Ltd. absorbed the JASDAQ Securities Exchange, Inc. on April 1, 2010, for the period until the end of March 2010, the Offeror has referred to movements in the market price of the Target Company's common stock on the JASDAQ Securities Exchange, Inc. as movements in the market price of the Target Company's common stock on JASDAQ. The same applies hereafter with respect to any reference to the market value of common stock of the Target Company.)

According to the Target Company's Press Release, considering (i) the results of the special committee's multiple consultations with the Offeror conducted through the Target Company's board of directors, receiving information from the Target Company's board of directors regarding the Tender Offer Price and similar matters pertaining to the Tender Offer and (ii) the details of the report from the special committee, and with reference to the results of the appraisal contained in SNCA's valuation report on the share value of the Target Company's common stock and explanations of those valuation report results, the Target Company's board of directors determined that the Tender Offer Price and other various terms of the Tender Offer presented by the Offeror are appropriate as a result of careful consultations and consideration from the perspective of the Target Company's financial situation, the business environment, and fairness to the shareholders, as the Tender Offer will constitute an opportunity for all Target Company shareholders to sell their shares of common stock in the Target Company at a reasonable price.

On the other hand, according to the Target Company's Press Release, in relation to the Stock Acquisition Rights, given that they were issued as stock options to officers and employees of the Target Company, and that the offer price has been set at 1 yen, the Target Company's board of directors determined to leave the decision to apply for the Tender Offer up to the judgment of the Holders of Stock Acquisition Rights.

ii Establishment of an independent special committee

According to the Target Company's Press Release, on April 5, 2010, the Target Company's board of directors resolved to establish a special committee, independent of the Target Company and the Offeror, comprised of three persons who had no conflict of interest with the Target Company's general shareholders in order to ensure the fairness of the Tender Offer and enhance the transparency and objectivity of the Transactions, and to commission such special committee to

provide an opinion to the Target Company's board of directors as to the reasonableness of the Target Company's board of directors approval of the Tender Offer and the appropriateness of the Tender Offer Price, in order to ensure the appropriateness of the Tender Offer Price and the fairness of the board's decision-making process from the perspective of protecting the interests of minority shareholders when the Target Company's board of directors expresses its view on the Tender Offer. The Target Company appointed the following three persons as members of the special committee: Hiroichi Uekusa, (chairperson; attorney at Minato-Kyowa Law Office), Taizo Ota (attorney and patent attorney at Marunouchi Sogo Law Office), and Yoshinori Takeuchi (the Target Company's outside corporate auditor).

According to the Target Company's Press Release, on April 9, 2010, the special committee began considering the reasonableness of the Target Company's board of directors approving the Tender Offer and the appropriateness of the Tender Offer Price. Upon considering such reasonableness, the special committee appointed Tokyo Aoyama Aoki Koma Law Office as legal advisor and SNCA as financial advisor, and recommended those advisors to act as the Target Company's legal and financial advisors to the Target Company's board of directors. The special committee met on five occasions, received reports and legal advice from Tokyo Aoyama Aoki Koma Law Office on the Tender Offer, the Offeror and on measures the Target Company's board of directors has put in place to avoid conflicts of interest, acquired and scrutinized relevant materials relating to the Transactions from the Target Company and the Offeror, and questioned the Offeror and Mr. Matsukawa. The special committee also carefully consulted with the Offeror as necessary, through the Target Company's board of directors, regarding the Tender Offer Price and deliberated on the above matters of inquiry, having received explanations from and questioned SNCA in relation to the details and results of the appraisal of the Target Company's share value. After careful consideration of the matters for inquiry based on the results of these steps, on May 13, 2010, the special committee unanimously resolved to report their view to the Target Company's board of directors that the Tender Offer would contribute to enhancing the Target Company's corporate value, and would constitute an opportunity for all Target Company shareholders to sell their shares of common stock of the Target Company at a reasonable price, that the Tender Offer Price was appropriate, and also that it would be reasonable for the Target Company's board of directors to express an opinion supporting the Tender Offer, and provided a report detailing such views to the board of directors meeting held on May 14, 2010. On the other hand, the special committee reported that, because the Stock Acquisition Rights were issued to officers and employees of the Target Company as stock options and the offer price has been set at 1 yen, the special committee did not express an opinion regarding whether or not the Target Company's board of directors should advise the Holders of Stock Acquisition Rights to tender their Stock Acquisition Rights.

### iii Target Company's advice from independent legal advisors

According to the Target Company's Press Release, in order to further ensure the fairness of the Transactions proposed by CAS Capital and to further enhance the transparency and objectivity of the Transactions, the Target Company's board of directors appointed Tokyo Aoyama Aoki Koma Law Office as legal advisor

independent of the Target Company and the Offeror and with no conflict of interest with the general interests of the Target Company's shareholders. The legal advisor acquired information necessary to give that legal advice, by questioning the Offeror, Mr. Matsukawa and directors of the Target Company about the Transactions and scrutinizing materials obtained from the Target Company and the Offeror as needed, and gave, in consultation with the special committee, legal advice to the Target Company's board of directors. The Target Company's board of directors was advised by the legal advisor on legal issues including the decision-making processes and methods relating to the Tender Offer and gave careful consideration to various terms, including the terms pursuant to which the Target Company would accept the Transactions proposed by CAS Capital, the concrete terms of the Tender Offer, and the terms on procedural matters and the timing of the implementation.

iv Approval of disinterested Target Company directors and all corporate auditors

According to the Target Company's Press Release, the Target Company's board of directors received a report from the special committee to the effect that the Tender Offer Price was appropriate and that it was reasonable for the Target Company's board of directors to express support for the Tender Offer. As a result of careful consultations and consideration of the Tender Offer Price and other various terms of the Transactions on the basis of the valuation report on the share value acquired on May 13, 2010 from SNCA, the third-party appraiser, the board of directors, at its meeting held on May 14, 2010, determined that the Tender Offer contributes to the enhancement of the corporate value of the Target Company and, in turn, the common interests of the shareholders, respecting the details of the above report by the special committee, and resolved to express support for the Tender Offer, and to recommend that Target Company shareholders tender their shares in the Tender Offer. On the other hand, according to the Target Company's Press Release, since the Stock Acquisition Rights were issued as stock options to officers and employees of the Target Company, and the offer price has been set at 1 yen, the Target Company's board of directors resolved to leave the decision of whether or not to tender the Stock Acquisition Rights in the Tender Offer up to the judgment of the individual Holders of Stock Acquisition Rights.

Please note that, according to the Target Company's Press Release, considering that as detailed in *(3) Agreements concerning the Tender Offer* under *1. Purpose of Tender Offer, etc.* above, Mr. Matsukawa executed an agreement with CCF5 and the Offeror to the effect that Mr. Matsukawa will (i) tender all the shares of common stock he holds in the Target Company in the Tender Offer, (ii) invest in the Offeror after the Tender Offer, (iii) cooperate with the Merger procedures regarding the Target Company, and (iv) perform his duties as the representative director of the Target Company even after the Tender Offer, Mr. Matsukawa had a special interest in the Transactions, and he did not participate in the deliberations or voting at the Target Company's board of directors meetings concerning the Transactions held on April 5, and May 14, 2010, and further, Mr. Matsukawa has not taken part in the consultations and negotiations with the Offeror on behalf of the Target Company. On the other hand, according to the Target Company's Press Release, all of the Target Company's directors other than Mr. Matsukawa, who has a special interest, took part in the relevant deliberations and voting, and the resolution was unanimously approved by the directors who voted. (Please note that Mr. Ichiro

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Furuse, a director of the Target Company, took part in the deliberations and voting at the board of directors' meeting on May 14, 2010 by telephone conference.) Further, according to the Target Company's Press Release, since the Target Company's outside corporate auditor, Mr. Nobuyuki Hirose also serves as CAS Capital's corporate auditor, although Mr. Hirose attended the Target Company's board of directors meeting relating to the composition of the special committee held on April 5, 2010, Mr. Hirose did not take part in the deliberations or voting on the Transactions at the Target Company's board of directors meeting concerning the Transactions held on May 14, 2010 and has not taken part in the consultations or negotiations with the Offeror on behalf of the Target Company. On the other hand, according to the Target Company's Press Release, all the corporate auditors other than Mr. Hirose took part in the deliberations and all corporate auditors who took part in the deliberations expressed the opinion that they had no objection to the Target Company's board of directors expressing an opinion approving the Tender Offer.

Please note that, according to the Target Company's Press Release, Mr. Kawamura, representative director of the Offeror and CAS Capital, resigned from his position as the Target Company's substitute corporate auditor on May 14, 2010.

Further, according to the Target Company's May 14, 2010 press release titled *Announcement Regarding Revised Dividends from Surplus for Fiscal Year Ending September 2010*, at the board of directors meeting held on May 14, 2010, the Target Company resolved not to distribute dividends for the fiscal year ending September 2010 and revised the forecast dividends for the same term on the condition that the Tender Offer is successfully effected.

v Tender Offer Period set at 31 business days

While the minimum tender offer period stipulated by law (the "Tender Offer Period") is 20 business days, the Offeror has set the Tender Offer Period for the Tender Offer at 31 business days. Setting a comparatively long Tender Offer Period in this way ensures an appropriate opportunity for all Target Company shareholders to make a determination about the Tender Offer, while ensuring an opportunity for counter offers and the like by parties other than the Offeror, as a means to guarantee the appropriateness of the Tender Offer Price. Please note that there is no agreement whatsoever between the Target Company and the Offeror, CAS Capital Group, or Mr. Matsukawa that would prohibit the Target Company from having contact with a party who might become a counter offeror.

(iii) Relationship with appraisers

N/A

(5) Number of share certificates, etc. to be purchased

Number to be purchased in terms of shares	Minimum number to be purchased in terms of shares	Maximum number to be purchased in terms of shares
4,480,052 (shares)	2,881,568 (shares)	- (shares)

Note 1: The number of shares to be purchased is 4,480,052 shares, representing the maximum number of

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share certificates, etc. that the Offeror will acquire by way of the Tender Offer. This represents the total number of issued shares of the Target Company as of March 31, 2010 as set forth in the Target Company's second quarterly report for the 56th Term (submitted on May 14, 2010) (4,951,864 shares), plus the number of the Target Company's shares that are subject to the Stock Acquisition Rights as of March 31, 2010 as set forth in the Target Company's second quarterly report for the 56th Term (157,700 shares), less the number of the Target Company's treasury stocks as of March 31, 2010 that are not expected to be acquired through the Tender Offer as set forth in the Target Company's second quarterly report for the 56th Term (629,512 shares). However, since it is unlikely that the Stock Acquisition Rights will be exercised during the Tender Offer Period, in the absence of the arrival of the exercise period, the actual breakdown of the number of shares to be purchased is (i) 4,322,352 shares, representing the total number of issued shares of the Target Company as of March 31, 2010 as set forth in the Target Company's second quarterly report for the 56th Term (submitted on May 14, 2010) (4,951,864 shares), less the number of the Target Company's treasury stocks as of March 31, 2010 as set forth in the Target Company's second quarterly report for the 56th Term (629,512 shares), and (ii) 1,577 units of the stock acquisition rights.

Note 2: If the total number of tendered share certificates, etc. falls below the minimum number of shares to be purchased (2,881,568 shares), the Offeror will not purchase any of the tendered share certificates, etc. The Offeror will purchase all of the tendered share certificates, etc. if the total number of tendered share certificates, etc. is equal to or exceeds the minimum number of shares to be purchased.

Note 3: The minimum number of shares to be purchased is 2,881,568 shares, representing two thirds of 4,322,352 shares that represent (i) total number of issued shares of the Target Company as of March 31, 2010 as set forth in the Target Company's second quarterly report for the 56th Term (submitted on May 14, 2010) (4,951,864 shares) less (ii) the number of the Target Company's treasury stocks as of March 31, 2010 that are not expected to be acquired through the Tender Offer as set forth in the Target Company's second quarterly report for the 56th Term mentioned above (629,512 shares).

Note 4: The Offeror does not intend to acquire the treasury stocks held by the Target Company through the Tender Offer.

Note 5: Shares less than one unit are included in the Tender Offer. In the event that any shareholder exercises his/her right to demand purchase of shares less than one unit pursuant to the applicable provisions of the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with the relevant procedures under the applicable laws and regulations.

(6) Changes of the ownership ratio of share certificates, etc. through the tender offer

Number of voting rights represented by share certificates, etc. held by the Offeror before the Tender Offer	0	(ownership ratio of share certificates, etc. before tender offer 0.00 %)
Number of voting rights represented by share certificates, etc. held by special related parties before the Tender Offer	10,053	(ownership ratio of share certificates, etc. before tender offer 23.26%)
Number of voting rights represented by the share certificates, etc. to be purchased	44,800	(ownership ratio of share certificates, etc. after the Tender Offer 100%)
Number of voting rights of all	43,213	

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shareholders, etc. of the Target Company		
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Note 1: “Number of voting rights represented by the share certificates, etc. to be purchased” is the number of voting rights represented by the number of share certificates, etc. to be purchased in the Tender Offer (4,480,052 shares).

Note 2: “Number of voting rights represented by the share certificates, etc. held by special related parties before the Tender Offer” is the total number of voting rights represented by the share certificates, etc. held by the respective special related parties; provided, however, that, considering the fact that the target of the Tender Offer includes even the share certificates, etc. held by special related parties, for the purpose of the calculation of the “ownership ratio of share certificates, etc. after the Tender Offer,” “Number of voting rights represented by the share certificates, etc. held by special related parties before the Tender Offer” is not added to the numerator.

Note 3: “Number of voting rights of all shareholders, etc. of the Target Company” is the total number of voting rights of all shareholders of the Target Company as of March 31, 2010 set forth in the second quarterly report for the 56th Term submitted by the Target Company on May 14, 2010 (where the number of shares per one share unit (*tangen*) is expressed as 100 shares). However, as the Target Company’s Stock Acquisition Rights and shares less than one unit are also subject to the Tender Offer, for the purpose of the calculation of “ownership ratio of share certificates, etc. before tender offer” and “ownership ratio of share certificates, etc. after tender offer,” 44,800 voting rights are used as the “voting rights of all shareholders, etc. of the Target Company” by adding (i) 1,577 voting rights relating to the number of the Target Company’s shares that are subject to the Stock Acquisition Rights as of March 31, 2010 as set forth in the Target Company’s second quarterly report for the 56th Term (157,700 shares), and (ii) 10 voting rights (the number of voting rights relating to shares less than one unit, represented by 1,052 shares that represent 1,064 shares of shares less than one unit as of March 31, 2010 as set forth in the Target Company’s second quarterly report for the 56th Term mentioned above less 12 treasury stocks of shares less than one unit held by the Target Company as of March 31, 2010).

Note 4: “ownership ratio of share certificates, etc. before tender offer” and “ownership ratio of share certificates, etc. after tender offer” shall be rounded to two decimal places.

#### (7) Purchase Price

6,051 million yen

Note: “Purchase price” is the sum of (i) the purchase price per share (1,400 yen) multiplied by the number of shares (4,322,352 shares) that represents the number of shares for the tender offer (4,480,052 shares) less the number of shares in the Target Company that are subject to the Stock Acquisition Rights (157,700 shares) (since it is unlikely that the Stock Acquisition Rights will be exercised during the Tender Offer Period in the absence of the arrival of the exercise period) and (ii) purchase price per one unit of the Stock Acquisition Right (1 yen) multiplied by the number of the Stock Acquisition Rights (1,577 rights).

#### (8) Method of Settlement

- (i) Name and address of head office of financial instruments business operators, banks etc. in charge of settlement of purchase

Nomura Securities Co., Ltd.

1-9-1, Nihombashi, Chuo-ku, Tokyo

- (ii) Commencement date of settlement

July 6, 2010 (Tuesday)

(iii) Method of settlement

A notice of purchase under the Tender Offer will be mailed (except for shares tendered through the internet-based Nomura Joy service provided by the Tender Offer Agent) to the address of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, etc., to the address of their standing agents) without delay after the expiration of the Tender Offer Period. For those Tendering Shareholders, etc. who have tendered their shares through the Nomura Joy service, the notice of purchase will be delivered in accordance with the instructions posted on the Nomura Joy website (<https://www.nomurajoy.jp/>).

The purchase will be conducted in cash. The Tender Offer Agent will remit the sale price for the purchased share certificates, etc. in accordance with the Tendering Shareholders, etc.' directions, such as by remittance (in which case the Tendering Shareholders may be subject to remittance fees).

(iv) Method of return of share certificates, etc.

In the event that all of the tendered share certificates, etc. will not be purchased under the terms detailed in “(i) Conditions set forth in each item of Article 27-13, Paragraph 4 of FIEA and the details thereof” and “(ii) Conditions of withdrawal, etc., of the Tender Offer, details thereof and method of disclosure of withdrawal, etc.” in the section titled “(9) Other Conditions and Methods of Purchase, etc.” below, the Tender Offer Agent will, without delay from the commencement date of settlement (or the date of withdrawal of the Tender Offer if the Offeror withdraws the tender offer), return the share certificates, etc. that must be returned. The shares will be returned by reverting the record of shares to the original entry just prior to tender (Please instruct the Tender Offer Agent if share certificates, etc. are transferred to the Tendering Shareholders Account opened with a financial instruments business operator, etc.), and the stock acquisition rights will be returned by issuing to the Tendering Shareholders, etc. or mailing to the address of the Tendering Shareholders, etc. in each case as per the instructions of the Tendering Shareholders, etc., the “Notice of acceptance of assignment”, the “Document setting forth matters to be listed on registry of stock acquisition rights”, and the documents required for change of named holders on the registry of stock acquisition rights that were submitted upon subscription for the stock acquisition rights

(9) Other Conditions and Methods of Tender Offer

(i) Conditions set forth in each item of Article 27-13, Paragraph 4 of FIEA and the details thereof

If the total number of tendered share certificates is less than the minimum amount of shares to be purchased (2,881,568 shares), the Offeror will not purchase any of the tendered share certificates, etc. If the total number of tendered share certificates, etc. is equal to or exceeds the minimum amount of shares to be purchased (2,881,568 shares), the Offeror will purchase all of the tendered share certificates, etc.

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

disclosure of withdrawal, etc.

If any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and Items 1.12 through 1.18, Items 3.1 through 3.8, and Item 3.10, as well as Article 14, Paragraph 2, Items 3 through 6 of the Order for Enforcement of the Financial Instruments Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Enforcement Order”) occurs, the Offeror may withdraw the Tender Offer. The event listed in Item 3.10 of Article 14, Paragraph 1 of the Enforcement Order, namely, the discovery of any false statement or omission of a material matter in a statutorily required disclosure document submitted by the Target Company, is equivalent to the matters listed in Items 3.1 through 3.9 of Article 14, Paragraph 1, referenced above.

If the Offeror intends, among others, to withdraw the Tender Offer, the Offeror will issue an electronic public notice and publish a notice thereof in *The Nihon Keizai Shimbun*. However, if it is deemed difficult to issue the public notice by the last day of the Tender Offer Period, the Offeror will make a public announcement by the method set forth in Article 20 of the Cabinet Ordinance concerning Tender Offer of Share Certificates by Persons Other than the Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the “Cabinet Ordinance”) and issue a public notice immediately after the announcement.

(iii) Conditions of reduction of purchase price, details thereof and method of disclosure of the reduction

Under the provisions of Article 27-6, Paragraph 1, Item 1 of FIEA, if the Target Company conducts any act set forth in Article 13, Paragraph 1 of the Enforcement Order during Tender Offer Period, the Offeror may reduce the purchase price in accordance with the standards prescribed in Article 19, Paragraph 1 of the Cabinet Ordinance. If the Offeror intends to reduce the purchase price, the Offeror will issue an electronic public notice and publish a notice thereof in *The Nihon Keizai Shimbun*. However, if it is deemed difficult to issue the notice by the last day of the Tender Offer Period, the Offeror will make a public announcement by the method set forth in Article 20 of the Cabinet Ordinance and issue a public notice immediately after the announcement. If the purchase price is reduced, the Offeror will also purchase the tendered share certificates tendered on or before the date of the public notice at the reduced purchase price.

(iv) Matters concerning the right of Tendering Shareholders, etc. to cancel tender contracts

Tendering Shareholders, etc. may, at any time during the Tender Offer Period, cancel their tender contract under the Tender Offer. Tendering Shareholders, etc. who wish to cancel their tender contract must send a cancellation notice by personal delivery or mail a cancellation notice stating that those Tendering Shareholders, etc. cancel their tender contract under the Tender Offer (the “Cancellation Notice”) together with the receipt of acceptance of the Tender Offer to the head office or any Japanese branch of the Tender Offer Agent to which the Tendering Shareholders, etc. have tendered their shares (except the internet-based Nomura Joy service provided by the Tender Offer Agent) by 3:30 p.m. on the last day of the Tender Offer Period. However, if the

Cancellation Notice is sent by mail, it must reach the party stated above by 3:30 p.m. on the last day of the Tender Offer Period. If Tendering Shareholders, etc. wish to cancel their tender contract submitted through the Nomura Joy service, the Tendering Shareholders, etc. must cancel their tender contract by 3:30 p.m. on the last day of the Tender Offer Period by following the instructions posted on the Nomura Joy website (<https://www.nomurajoy.jp/>).

Even in the event that the tender contract is terminated by the Tendering Shareholders, etc., the Offeror will not seek damages or penalty from the Tendering Shareholders, etc.. In addition, any expense required for the return of the tendered share certificates will be borne by the Offeror.

(v) Method of disclosure of change in the conditions of Tender Offer (if any)

If the Offeror changes any conditions of the purchase, the Offeror will issue an electronic public notice and publish a notice thereof in *The Nihon Keizai Shimbun*. However, if it is deemed difficult to issue the notice by the last day of the Tender Offer Period, the Offeror will make a public announcement by the method set forth in Article 20 of the Cabinet Ordinance and issue a public notice immediately after the announcement. If the conditions of the purchase are changed, the Offeror will also purchase the tendered share certificates tendered on or before the date of the public notice in accordance with the conditions of the purchase as changed.

(vi) Method of disclosure of amendment statement (if any)

If the Offeror submits an amendment statement to the Director of the Kanto Local Finance Bureau, the Offeror will immediately make a public announcement of the content thereof that is relevant to the content of the public notice of the commencement of the Tender Offer, in accordance with the manner set forth in Article 20 of the Cabinet Ordinance. The Offeror will also amend the explanatory statement of the Tender Offer immediately and deliver the amended explanatory statement to the Tendering Shareholders who have received the previous explanatory statement. However, if the amendments are limited, the Offeror may instead prepare and deliver a document stating the reason for the amendments, the matters having been amended and the details thereof to the Tendering Shareholders, etc..

(vii) Method of disclosure of results of Tender Offer

The results of the Tender Offer will be made public by the method set forth in Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Ordinance on the day immediately following the last day of the Tender Offer Period.

(10) Date of Public Notice for commencement of tender offer

May 17, 2010 (Monday)

(11) Tender Offer Agent

Nomura Securities Co., Ltd.

1-9-1, Nihombashi, Chuo-ku, Tokyo

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### 3. Policy and Outlook after Tender Offer

Regarding Policy after the Tender Offer, please refer to “(5) Policy on organizational restructuring, etc. after the Tender Offer (regarding the ‘Two-Step Acquisition’ process)” and “(6) Possibility of and reasons for delisting” in the section titled “1. Purposes of Tender Offer, etc.”

### 4. Other Matters

- (1) Agreements between the Offeror and the Target Company or its officers, and the terms thereof (if any)

CCF5, the Offeror, and Mr. Matsukawa have already entered into the Agreements, as outlined in “Agreements concerning the Tender Offer” in the section titled “1. Purposes of Tender Offer, etc.”

With respect to “in the decision-making process leading to the decision to implement the Tender Offer” and “specific description of measures to avoid conflicts of interest”, please refer to “Measures to ensure fairness of the Tender Offer, including measures to ensure fairness of the offer price and measures to avoid conflicts of interest” in the section titled “1. Purposes of Tender Offer, etc.” above.

- (2) Other Information considered to be necessary for investors to determine whether or not they tender their shares

(i) According to the its May 14, 2010 press release titled *Announcement regarding Revised Dividends from Surplus for Fiscal Year Ending September 2010*, at the board of directors meeting held on May 14, 2010, the Target Company resolved not to distribute dividends for the fiscal year ending September 2010 and revised the forecast dividends for the same term on the condition that the Tender Offer is successfully effected.

(ii) The Target Company announced the following difference in the earnings forecast and the account settlement (consolidated and non-consolidated) for the first half of fiscal year ending September 2010 and revisions to the earning forecast (consolidated and non-consolidated) for the fiscal year ending September 2010 on May 14, 2010 in the *Announcement Regarding Difference in Earnings Forecast and Account Settlement and Revisions to Earnings Forecast*.

#### 1. Difference in Earnings Forecast and Account Settlement

- (1) Difference in Earnings Forecast and Actual Earnings (Consolidated) for First Half of Fiscal Year Ending September 2010  
(October 1, 2009 to March 31, 2010)

*(million yen)*

	Sales	Operating profit	Ordinary profit	Net profit	Net profit per share
Previously announced forecast (A)	2,231	229	230	61	14.34
Actual earnings (B)	1,762	141	153	(4)	(0.99)

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(B-A)	(469)	(88)	(77)	(65)	-
Change (%)	(21.0)	(38.4)	(33.5)	-	-
(Reference) Earnings for FY 2009	3,450	485	517	195	45.23

(2) Difference in Earnings Forecast and Actual Earnings (Non-Consolidated) for First Half of Fiscal Year Ending September 2010  
(October 1, 2009 to March 31, 2010)

(million yen)

	Sales	Operating profit	Ordinary profit	Net profit	Net profit per share
Previously announced forecast (A)	1,840	167	222	304	70.54
Actual earnings (B)	1,514	76	89	206	47.68
(B-A)	(326)	(91)	(133)	(98)	-
Change (%)	(17.7)	(54.5)	(59.9)	(32.2)	-
(Reference) Earnings for FY 2009	2,525	290	318	117	27.15

2. Revised Earnings Forecast for Fiscal Year

(1) Revisions to Earnings Forecast (Consolidated) for Fiscal Year Ending September 2010  
(October 1, 2009 to September 30, 2010)

(million yen)

	Sales	Operating profit	Ordinary profit	Net profit	Net profit per share
Previous forecast (A)	5,406	801	804	446	103.19
Revised forecast (B)	4,124	392	435	184	42.74
(B-A)	(1,282)	(409)	(369)	(262)	-
Change (%)	(23.7)	(51.0)	(45.8)	(58.7)	-
(Reference) Earnings for FY 2009	6,043	808	881	271	62.86
Change from FY 2009 (%)	(31.7)	(51.4)	(50.6)	(32.1)	-

(2) Revisions to Earnings Forecast (Non-Consolidated) for Fiscal Year Ending September 2010  
(October 1, 2009 to September 30, 2010)

(million yen)

	Sales	Operating profit	Ordinary profit	Net profit	Net profit per share
Previous forecast (A)	4,268	557	612	537	124.27
Revised forecast (B)	3,386	254	292	333	77.06
(B-A)	(882)	(303)	(320)	(204)	-
Change (%)	(20.6)	(54.3)	(52.2)	(37.9)	-
(Reference) Earnings for FY 2009	3,983	326	500	308	71.44
Change from FY 2009 (%)	(14.9)	(22.0)	(41.6)	(8.1)	-

3. Reason for revision

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In regards to earnings for the first half of the fiscal year ending September 2010, in spite of improved sales for consumables following increased production in the steel and automobile industries, the Target Company was unable to meet their sales forecast announced on December 18, 2009, as recovery in demand for equipment was delayed and sales of principal machinery and equipment, such as penetrant testing units in the non-destructive testing business and marking systems in the marking business, remained stagnant. As a result, there was a significant difference in both consolidated and non-consolidated earnings, as detailed above.

As with the earnings forecast for the first half of the fiscal year ending September 2010, although the earnings forecast for fiscal year ending September 2009 see improved sales for consumables, the Target Company is expecting to be unable to meet the sales forecast announced on December 18, 2009, as sales of principal machinery, such as penetrant testing units and marking equipment, are expected to remain stagnant due to the delayed recovery in demand for equipment. As a result, the consolidated and non-consolidated earnings forecast was revised, as detailed above.

(Note) The current earnings forecasts have been prepared based on information available on the date of release. Actual earnings may differ from those forecast due to various indeterminate factors.

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#### Regulation on Insider Trading

Please note that any person who has inspected the information included in this press release may be prohibited from purchasing the shares, etc. of MARKTEC Corporation to the expiry of twelve (12) hours from the publication of this press release, as a primary recipient of information concerning the restriction of insider trading (naibusha-torihiki in Japanese) under the provisions of Paragraph 3, Article 167 of the FIEA and Article 30 of the Enforcement Order. Please acknowledge in advance that neither the Offeror nor any of its related companies shall be held liable for any criminal, civil or administrative liability pursued due to the conduct of such purchase, etc.

#### Regulation on Solicitation

This press release is a notice of the announcement to publish the Tender Offer to the general public, and was not prepared for the purpose of solicitation of sale. Upon making an application for sale, Tendering Shareholders, etc. are requested to ensure that their decision to make an application is their own after inspecting the tender offer explanatory statement concerning the Tender Offer. This press release does not fall under the solicitation of the application for the sale of, or the solicitation of the application for the purchase of, the securities, nor form a part thereof. This press release (or a part thereof), and the fact of the distribution thereof, shall not be a basis of any agreement concerning the Tender Offer, nor may it be relied upon for the execution of the agreement.

#### Procedures and Criteria for Information Disclosure

While the Tender Offer will be carried out in compliance with the procedures and criteria for information disclosure that are provided for by Japan's Financial Instruments and Exchange Act, such procedures and criteria are not necessarily identical to those observed in the United States. In particular, the provisions of Sections 13(e) and 14(d) of the Securities Exchange Act of 1934 of the United States, and the provisions established under such sections, are not

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applicable to the Tender Offer, and the Tender Offer is not consistent with such procedures and criteria.

#### Language

Unless otherwise specifically provided, the entire procedures regarding the Tender Offer will be conducted in Japanese language. While all or some of the documents regarding the Tender Offer will be prepared in English, if there is any conflict between such English version and the Japanese version, the Japanese version will prevail.

#### Future Forecast

This press release includes prospect of the development of the business that reflect current expectations of the Offeror upon acquisition of the shares in MARKTEC Corporation. Actual results may differ materially from such statement due to many factors.

This press release includes the “forward-looking statement” as defined in Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 of the United States. Such “forward-looking statement” involves known and unknown risks, uncertainties and other important factors that could cause the actual results to differ materially from any future results expressed or implied by such forward-looking statements. Neither the Offeror nor any of its related companies can promise that future results expressed or implied by such “forward-looking statement” would turn out to be correct. The “forward-looking statement” included in this document was prepared based on the information possessed by the Offeror as of the date of this document. Unless otherwise required by the applicable laws and regulations, neither the Offeror nor any of its related companies shall have any obligations to update or modify such statement to reflect any future event or situations.

#### Other countries

Some countries and regions may impose legal restrictions on the release, issue or distribution of this press release. In such case, please take note of, and comply with, such restrictions. Receipt of this press release, or any translation thereof, in such countries or regions where implementation of the Tender Offer becomes illegal shall not constitute an offer for the purchase, etc. of the share certificates regarding the Tender Offer or solicitation of the offer for the sales, etc. of the same, and shall rather be deemed to constitute distribution of material for information purposes.